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FARM CREDIT ADMINISTRATION  
UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D.C.

**HANDBOOK ON  
MAJOR REGIONAL FARM SUPPLY  
PURCHASING COOPERATIVES  
1949 AND 1950**



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*The Cooperative Research and Service Division conducts research studies and service activities relating to problems of management, organization, policies, merchandising, sales, costs, competition, and membership arising in connection with the cooperative marketing of agricultural products and the cooperative purchase of farm supplies and services; publishes the results of such studies; confers and advises with officials of farmers' cooperative associations; and cooperates with educational agencies, cooperative associations, and others in the dissemination of information relating to cooperative principles and practices.*

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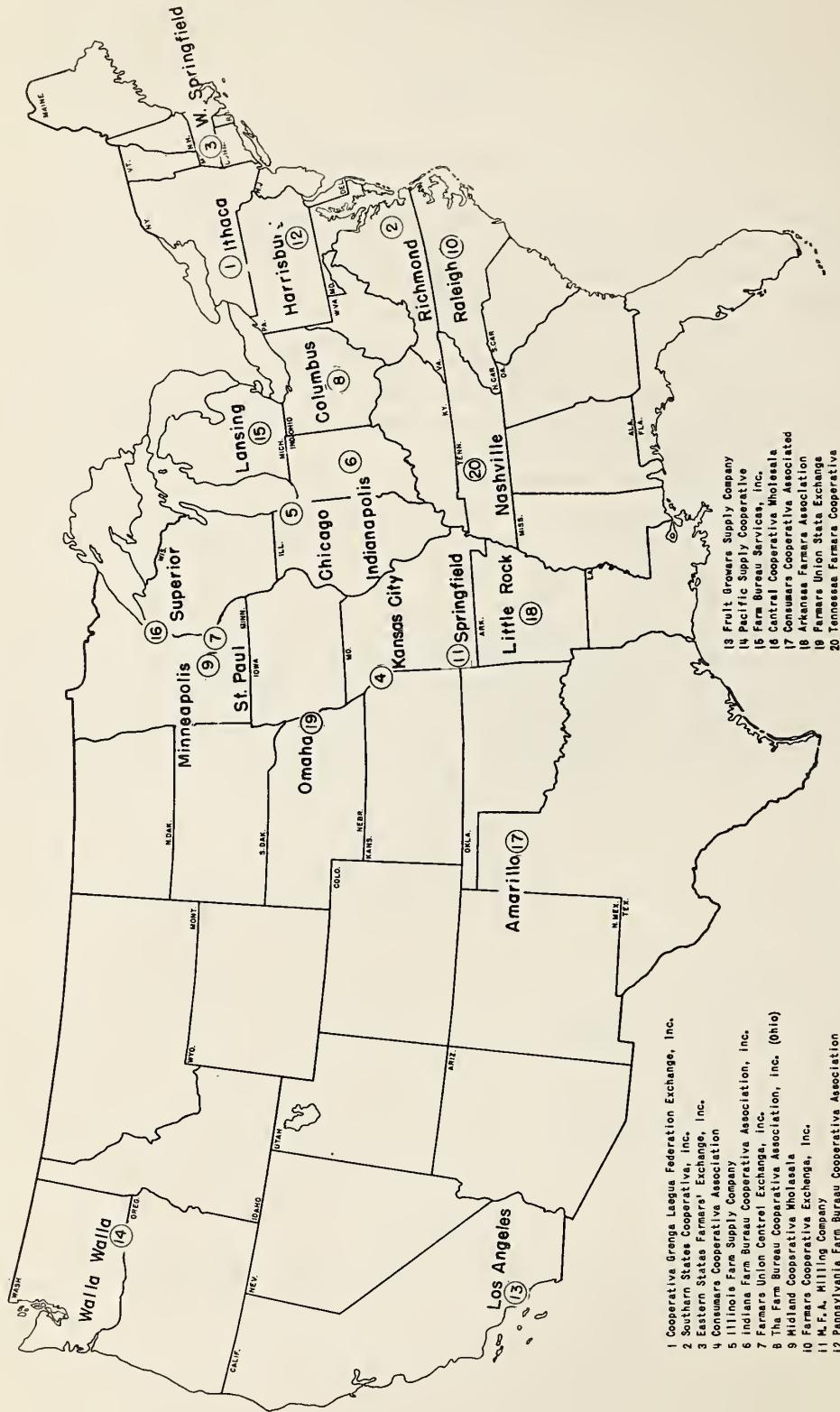
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## LOCATION OF 20 MAJOR REGIONAL FARM SUPPLY PURCHASING COOPERATIVES



NOTE: Associations are numbered according to volume of retail and wholesale purchasing businesses for 1950.

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HANDBOOK ON MAJOR REGIONAL FARM  
SUPPLY PURCHASING COOPERATIVES, 1949 and 1950

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Part I of this handbook presents comparable information for each of the 20 major regional farm supply cooperatives in the United States for their fiscal years ending in 1949 and 1950. These associations are listed in the order of the amount of wholesale and retail supply business done in 1950. A summary of this information showing the character and importance of these associations as a group is given in Part II.

Nineteen of the associations described perform a wholesale service for retail cooperative outlets of various types. Fourteen associations engaged in a wholesale business only, five did both a wholesale and a retail business, and one distributed all supplies direct to individual purchasers. Six associations also marketed farm products cooperatively. The association reports show the main points of similarity and of difference between these organizations.

It is not feasible to provide information for a considerable number of the smaller regional farm supply purchasing cooperatives. There also are many regional marketing cooperatives that perform an extensive purchasing service. Information as to the value of supplies distributed to farmers through five of these associations that had a combined supply volume of \$70 million in 1950 is shown in the appendix.

PART I

ASSOCIATION REPORTS FOR 20 MAJOR REGIONAL FARM SUPPLY  
PURCHASING COOPERATIVES FOR FISCAL YEARS ENDING IN  
1949 AND 1950

Information for each of the 20 associations included in this report is shown in this section. The principal items considered include: Date of organization, area of service, types of local outlets, types of supplies

NOTE: Appreciation is expressed to officials of the associations who provided the information used in preparing this handbook and to J. W. Mather, Mrs. Catherine Boswell, and Mrs. Mary H. Eberly, Cooperative Research and Service Division, for valuable assistance.

handled and products marketed, dollar volume of wholesale, retail, and marketing business, distribution of savings, financial condition and number of employees.

COOPERATIVE GRANGE LEAGUE FEDERATION EXCHANGE, INC.

The Cooperative Grange League Federation Exchange, Inc., known as the "G.L.F.," was organized on June 28, 1920. It serves farmers in New York, New Jersey, and the northern tier of counties in Pennsylvania--roughly the territory known as the "New York Milkshed." Its administrative offices are in Ithaca, N. Y.

The G.L.F. is a centralized cooperative. Its board of directors is responsible directly to farmer-members. Membership is determined by ownership of common stock and bona fide farm operation. Any farmer-patron who owns at least one \$5 share of G.L.F. Exchange common stock qualifies as a member.

Since it performs manufacturing, processing, wholesaling, transportation, and retailing services, G.L.F. is an integrated organization. At the end of the fiscal year, June 30, 1950, G.L.F. was providing these services to about 155,000 regular farmer-patrons. Farmer-patrons qualifying as members numbered about 108,000.

On June 30, 1950, the G.L.F. was serving its patrons through the following types of retail organizations:

Type of retail outlet	Number
G.L.F. retail service stores (including 2 full branches).....	233
G.L.F. zero food branches <u>1/</u> .....	4
G.L.F. farm store branches.....	47
G.L.F. petroleum bulk plants <u>2/</u> .....	73
G.L.F. agent buyers.....	320
Independent local cooperatives.....	41
Supplementary agents.....	21
Farmer agents.....	9
 Total.....	 748

The retail service stores are cooperative corporations managed by G.L.F. They distribute farm supplies and in some cases market farm products for patrons. All of their common stock is owned by the Exchange. Their preferred stock is owned by local farmers. Annual meetings are held at which member committees are elected. The member committee has many of the powers of a local board of directors, but its acts are subject to

1/ Pilot operation, now being discontinued.

2/ Includes 5 branches, 3 liquefied petroleum gas depots, 1 retail filling station.

the approval of the Exchange as the holder of the common stock. These stores are financed centrally and are supervised through management contracts that may be canceled at any time by the service stores. G.L.F. petroleum bulk plants are organized in a similar way except that they are located so as to perform a specialized petroleum service for patrons over wider areas. Between 60 to 65 percent of G.L.F.'s wholesale volume is distributed through these service stores and petroleum cooperatives.

Agent-buyers are private businesses that have been granted franchises to handle G.L.F. farm supplies in accordance with policies. The independent local cooperatives are locally controlled farmers' associations handling G.L.F. farm supplies on the same basis as agent-buyers. In many cases these cooperatives are primarily local marketing associations, with purchasing as an additional service. Supplementary agents are merchants or others who handle certain G.L.F. products such as fertilizer or seed, but not the complete line. Approximately 35 to 40 percent of G.L.F.'s wholesale volume is distributed through agent-buyers, independent local cooperatives, and supplementary agents.

These various types of retail outlets obtain supplies for redistribution under the same wholesale terms through the manufacturing plants and warehouses that G.L.F. maintains at Buffalo, Albany, and other strategically located terminal centers. They also obtain supplies from other commercial sources.

The value of supplies distributed by G.L.F. to retail outlets for the fiscal years ending June 30, 1949 and 1950 was as follows:

<u>Commodity</u>	<u>1949</u>	<u>1950</u>
Feed, grain, flour, and cereals.....	\$84,642,268	\$85,404,102
Fertilizer and lime (including shells, bedding, etc.).....	11,744,162	11,710,270
Petroleum products.....	10,006,298	11,035,051
Tires, tubes, and auto supplies.....	1,304,853	1,263,002
Seed and seed potatoes 3/.....	4,725,669	5,634,923
Hardware (tools).....	286,196	316,750
Refrigeration equipment.....	999,293	974,414
Farm equipment and parts.....	2,423,553	2,093,019
Steel and other metal products 4/.....	2,379,136	2,490,423
Building material, paint, roofing, cement, etc.....	1,881,692	1,696,390
Insecticides and sprays and farm chemicals.....	1,960,725	2,034,088
Package materials.....	625,583	690,340
Rope and twine.....	457,497	716,845
Farm and home appliances.....	157,430	126,457
Miscellaneous 5/.....	1,131,063	652,023
Total.....	\$124,725,418	\$126,838,097
Less interdivision business.....	239,926	134,499
Total.....	\$124,485,492	\$126,703,598

3/ Does not include Fort Wayne shipments to non-G.L.F. outlets.

4/ Includes wire and nails, roofing, pipe and fittings, etc.

5/ Includes rubber and canvas, agency supplies, ladders, radios, and other commodities.

The value of services and supplies obtained at retail by farmers through G.L.F. managed retail outlets for the years ending June 30, 1949 and 1950, was as follows:

<u>Source of supplies or services</u>	<u>1949</u>	<u>1950</u>
G.L.F. retail service stores, farm store branches, and frozen food lockers.....	\$88,615,941	\$89,275,504
G.L.F. petroleum bulk plants.....	14,111,721	15,096,231
Total.....	\$102,727,662	\$104,371,735

During the war years G.L.F. greatly expanded its cooperative marketing services for farm products. Most of this expansion was in fruits and vegetables and involved the operation of three canning plants. In 1949, canning activities were discontinued. The principal marketing operations now are in eggs, grain, and beans. Much of the marketing is carried out through retail service stores, with some separate facilities maintained for eggs and beans. There are two local marketing cooperatives organized as subsidiaries of G.L.F. The following summary shows the types of marketing facilities maintained by G.L.F. as of June 30, 1950:

<u>Types of marketing facilities</u>	<u>Number</u>
Canning plants (not operating).....	1
Bean plants.....	3
Flour and cereal plants <u>6/</u> .....	2
Terminal egg sales agencies.....	5
Country egg stations.....	14
Terminal sales agencies for beans, wheat, and other grains.	1
Cold storage plants.....	1
Transportation service unit.....	1

The value of farm products marketed by G.L.F. 7/ for the years ending June 30, 1949 and 1950 follows:

<u>Commodity</u>	<u>1949</u>	<u>1950</u>
Eggs.....	\$8,022,830	\$8,347,306
Fruits and vegetables (including canned goods).....	3,502,170	675,706
Grain <u>8/</u> .....	5,819,908	3,315,296
Beans.....	1,663,051	1,572,755
Hay and straw.....	416,942	462,596
Miscellaneous and unclassified <u>9/</u> .....	88,554	110,308
Total after elimination of intercompany business	\$19,513,455	\$14,483,967

6/ Now considered as purchasing operation.

7/ Includes marketing by service stores.

8/ 1949 figure includes flours and cereals.

9/ Includes poultry, livestock, and seed.

In addition in 1949 these marketing units purchased egg cases, seed beans, seed and plants, containers, fertilizer and sprays, and performed storage and other services valued at \$900,723. In 1950 the value of these items was \$947,234.

Net savings, before income taxes, of the G.L.F. for the years ending June 30, 1949 and 1950 were derived as follows:

<u>Source of net savings</u>	<u>1949</u>	<u>1950</u>
Manufacturing and wholesale purchasing and marketing.....	\$3,374,252	\$4,037,649
G.L.F. retail service stores.....	1,819,581	2,286,835
G.L.F. retail petroleum distribution operations.	247,318	100,019
Other operations(local marketing co-ops., etc.).	15,220	22,973
Less intercompany dividends.....	-806	-810
Total.....	\$5,455,565	\$6,446,666

These net savings were distributed in the following manner:

<u>Distribution of net savings</u>	<u>1949</u>	<u>1950</u>
Federal income taxes.....	\$938,531	\$1,121,583
Cash dividends on stock.....	921,858	1,155,563
Patronage refunds in cash.....	2,070,945	2,190,004
Additions to reserves, etc.....	1,524,231	1,979,516
Total.....	\$5,455,565	\$6,446,666

All patronage refunds paid in certificates in prior years have been retired and the association has no revolving plan of financing currently in use.

The financial condition of the Cooperative G.L.F. Exchange, Inc., including its wholesale divisions, financing and credit subsidiaries, retail service stores and petroleum co-ops, and marketing associations as of June 30, 1949 and 1950 is shown in the following condensed consolidated balance sheet:

	<u>1949</u>	<u>1950</u>
<b>Assets:</b>		
Current assets.....	\$27,757,354	\$31,044,822
Fixed assets (net).....	18,936,614	18,749,677
Other assets (investments, etc.).....	8,145,711	9,353,020
Total.....	\$54,839,679	\$59,147,519
<b>Liabilities and patrons' equity:</b>		
Current liabilities.....	\$9,143,034	\$9,651,393
Other liabilities.....	9,064,708	6,527,305
Capital stock and patrons' equity.....	36,631,937	42,968,821
Total.....	\$54,839,679	\$59,147,519

The following tabulation shows the number and value of facilities owned and operated by G.L.F. and its affiliated service stores, and petroleum and marketing cooperatives on June 30, 1950:

Type of facility	Number of plants or units <u>10/</u>	Cost value	Depre- ciated value
Feed mills.....	3	\$6,655,351	\$4,857,750
Fertilizer and insecticide plants..	12	2,060,312	1,525,213
Seed cleaning plants.....	6	856,340	512,770
Wholesale farm supply warehouses...	8	433,986	371,206
Petroleum bulk storage terminals...	5	1,024,360	979,706
Retail farm supply stores.....	280	8,240,752	5,537,935
Bulk petroleum plants.....	70	1,494,745	802,516
Marketing warehouses, storage, and processing plants (includes 1 can- ning plant not operating).....	25	1,372,099	1,114,727
Office buildings.....	1 (group)	619,633	431,219
Freezer-locker plants.....	5	326,468	183,513
Flour and cereal milling and local feed mill and elevator.....	3	312,070	255,215
Miscellaneous.....	4	130,759	107,355
 Total.....		\$23,526,875	\$16,679,125

In addition to these facilities, G.L.F. had \$5,339,533 invested in jointly owned federations of regionals which operated various manufacturing and wholesaling facilities.

On June 30, 1950, G.L.F. had 3,837 employees. Of these, 206 were engaged in general administrative activities; 1,267 in manufacturing, warehousing, and processing operations; 2,153 in retail distribution; and 211 in marketing farm products. These figures do not include retail employees of independent cooperatives or agent-buyers and their employees who may spend most of their time in distributing G.L.F. farm supplies. The figures for the three operating groups include administrative, accounting, and clerical employees.

#### SOUTHERN STATES COOPERATIVE, INC.

The Southern States Cooperative, Inc., Richmond, Va., was organized on July 21, 1923, as the Virginia Seed Service. It was reorganized in 1933 under its present name. At the end of its operating year on June 30, 1950, it was serving through local cooperatives, service agencies, and farmer agents approximately 249,500 members in Virginia, West Virginia, Kentucky, Maryland, Delaware, and Tennessee. Substantially all of its patrons were farmers and 80 percent were members. A farmer-patron

10/ Including leased facilities with owned equipment.

becomes a member by acquiring ownership of one or more shares of \$1 par value voting stock issued in payment of patronage refunds.

On June 30, 1950, the Southern States Cooperative was serving its patrons through the following types of retail outlets:

<u>Type of retail outlet</u>	<u>Number</u>
Local affiliated cooperatives:	
Farm supply stores with management contracts.....	117
Farm supply stores without management contracts.....	62
Petroleum service plants with management contracts.....	26
Locker plants with management contracts.....	10
Service agencies (privately owned).....	563
Farmer agents (fertilizer only).....	190

Local affiliated cooperatives with management contracts are separately incorporated associations whose boards of directors have employed Southern States through the medium of a management contract to perform certain management, accounting, auditing, and financial services on a fee basis. Those without management contracts are independent cooperative associations which use Southern States Cooperative as a wholesale source of supply. Approximately 34 percent of Southern States' wholesale volume is distributed through these cooperatives.

Service agencies are private retail farm supply dealers who have been awarded the Southern States franchise by the local membership. Under the terms of this franchise, dealers handle the supplies under agreed-upon conditions. The farmer-agents are individual farmers who pool fertilizer orders and handle distribution to neighbors in communities where such service is not otherwise available. Approximately 66 percent of Southern States' wholesale volume is distributed through farmer-agents.

Feed and fertilizer manufacturing operations of Southern States Cooperative are conducted by several subsidiary cooperatives. These subsidiary manufacturing cooperatives are owned by a number of wholesale farm purchasing cooperatives that use them as a source of a portion or all of their feed and fertilizer requirements. These cooperatives are the Farmers Cooperative Exchange, Raleigh, North Carolina; Pennsylvania Farm Bureau Cooperative Association, Harrisburg, Pennsylvania; Farm Bureau Cooperative Association, Columbus, Ohio; and Cotton Producers Association, Atlanta, Georgia. Ownership of the manufacturing subsidiaries by the several cooperatives involved is in proportion to use or patronage and is annually adjusted to maintain ownership on that basis. Each of the participating cooperatives pays its exact share of operating expenses and therefore obtains manufacturing service at cost.

The value of supplies distributed at wholesale, together with the value of supplies manufactured for the account of affiliated regional cooperatives, for the fiscal years ending June 30, 1949 and 1950, were as follows:

<u>Commodity</u>	<u>1949</u>	<u>1950</u>
Feed.....	\$47,296,226	\$46,655,110
Fertilizer.....	11,713,209	12,814,177
Seed.....	4,841,887	5,230,182
Petroleum products.....	4,000,830	4,293,908
Auto accessories.....	704,473	654,996
Farm equipment and tools.....	1,448,608	1,503,420
Hardware and steel products.....	2,977,800	2,789,900
Paint and asphalt.....	831,426	698,020
Insecticides, sprays, and chemicals.....	1,058,808	1,044,061
Electrical equipment and appliances.....	1,010,712	1,197,648
Miscellaneous.....	72,171	79,380
 Total.....	 \$75,956,150	 \$76,960,802

Of the total, approximately \$14,059,994 worth of supplies in 1949 and \$14,068,149 in 1950 were manufactured for the account of other regional cooperatives.

The value of supplies distributed at retail by Southern States Cooperative managed retail outlets amounted to \$32,315,468 in 1949 and \$32,592,836 in 1950.

In recent years Southern States Cooperative has established marketing services for several farm products produced by members. As of June 30, 1950, the association operated four terminal egg sales agencies, and a terminal grain marketing service.

The value of farm products marketed through Southern States Cooperative follows:

<u>Commodity</u>	<u>1949</u>	<u>1950</u>
Eggs.....	\$1,965,519	\$1,787,376
Poultry.....	7,497,804	-
Grain.....	2,797,737	3,130,866
 Total.....	 \$12,261,060	 \$4,918,242

Total net savings of Southern States Cooperative for years ending June 30, 1949 and 1950, were derived as follows:

<u>Source of net savings</u>	<u>1949</u>	<u>1950</u>
Manufacturing and wholesaling purchasing.....	\$2,283,210	\$2,682,571
Retail farm supply stores.....	492,571	681,229
Retail petroleum distribution operations.....	-44,711	69,930
Marketing operations.....	-64,965	-108,374
Other operations.....	99,396	276,361
Less intercompany dividends.....	432,348	548,727
 Total.....	 \$2,333,153	 \$3,052,990

These net savings were distributed as follows:

<u>Distribution of net savings</u>	<u>1949</u>	<u>1950</u>
Cash dividends on stock.....	\$674,725	\$759,485
Patronage refunds in cash.....	657,723	682,280
Patronage refunds paid in capital stock.....	895,423	484,981
Reserves, adjustments, etc.....	105,282	1,126,244
 Total.....	 \$2,333,153	 \$3,052,990

For the year ending June 30, 1949, the association retired voting stock amounting to \$3,060, issued originally in the payment of patronage refunds. For the year ending June 30, 1950, the redemptions totaled \$30,580. For many years the policy has been to call and retire at par value the voting stock issued 10 years previous.

The financial condition of Southern States Cooperative, Inc., its wholly owned subsidiaries and partly owned manufacturing subsidiaries, and its affiliated local retail cooperatives, on June 30, 1949 and 1950 is shown in the following consolidated financial statements:

	<u>1949</u>	<u>1950</u>
<b>Assets:</b>		
Current assets.....	\$15,676,168	\$15,653,101
Fixed assets (net).....	11,121,013	11,039,084
Other assets.....	3,972,514	5,485,615
 Total.....	 \$30,769,695	 \$32,177,800
 <b>Liabilities and net worth:</b>		
Current liabilities.....	\$5,609,526	\$2,624,422
Deferred liabilities.....	5,064,981	8,062,248
Net worth (capital and reserves).....	20,095,188	21,491,130
 Total.....	 \$30,769,695	 \$32,177,800

The following is a tabulation of the number and value of facilities owned and operated by the Southern States Cooperative, Inc., its subsidiaries and affiliated local cooperatives on June 30, 1950:

Type of facility	Number of plants or units	Cost value	Depreciated value
Headquarters building.....	1	\$2,144,340	\$2,001,271
Poultry and egg marketing outlets..	5	761,577	592,436
Frozen-food locker plants.....	10	547,290	454,810
Feed mills.....	5	3,197,485	2,050,355
Fertilizer plants.....	4	1,378,476	1,033,297
Seed cleaning plants and wholesale farm supply warehouses.....	9	2,200,528	1,716,096
Southern States Cooperative retail service stores.....	117	1,851,579	1,484,622
Bulk petroleum plants.....	28	1,125,052	926,102
Oil delivery trucks.....	82	374,702	187,202
Transport trucks.....	17	81,987	37,825
General delivery trucks.....	192	384,815	131,769
Research and analysis laboratory...	1	13,283	3,671
Grain marketing facilities.....	1	145,097	130,216
Other facilities.....		450,454	289,411
<b>Total.....</b>		<b>\$14,656,665</b>	<b>\$11,039,083</b>

In addition to these facilities, Southern States Cooperative had \$199,600 invested in jointly owned federations of regionals which operated various manufacturing and wholesaling facilities.

On June 30, 1950, Southern States Cooperative had 1,915 employees. Of these, 688 were engaged in general administrative activities; 665 in manufacturing, warehousing, and processing operations; 523 in retail distribution; and 39 in marketing farm products.

#### EASTERN STATES FARMERS' EXCHANGE, INC.

The Eastern States Farmers' Exchange, Inc., with headquarters at West Springfield, Mass., was organized on January 28, 1918. By December 31, 1949, it was serving 136,982 patrons located in the six New England States, Pennsylvania (except for the northern tier of counties), Delaware, and part of Maryland.

Membership in Eastern States is determined by patronage. The association has no capital stock or membership fees. Every farmer who purchases through the association becomes a member and remains a member for the calendar year following the date of his last purchase. Only 2.7 percent of the 1949 volume of business was with non-farmers.

Patrons are served through 447 farmer-representatives, 20 independent cooperative associations, that also serve as representatives, and 74 regional branch warehouses strategically located to supplement local car-door distribution.

Eastern States is an integrated farmers' cooperative production supply procurement agency which processes a large proportion of the items it handles. The value of supplies distributed to patrons for the fiscal years ending December 31, 1949 and 1950 was as follows:

<u>Commodity</u>	<u>1949</u>	<u>1950</u>
Feed and grain.....	\$67,072,105	\$68,645,902
Field seeds.....	2,482,767	2,622,839
Seed potatoes.....	1,163,703	948,040
Vegetable seeds.....	294,403	293,662
Fertilizer and lime.....	4,930,174	4,636,830
Spray materials.....	941,775	981,696
Miscellaneous (roofing, paints, lubricants, etc.).....	1,440,507	1,832,858
 Total.....	 \$78,325,434	 \$79,961,827

Net savings of patrons on purchases made through Eastern States after withholding and allocating to members retains for operating capital were \$1,457,370 in 1949 and \$2,149,165 in 1950. These savings were distributed in the following way:

<u>Distribution of net savings</u>	<u>1949</u>	<u>1950</u>
Patronage refunds in cash.....	\$976,438	\$1,719,332
Amount allocated to members and retained...	480,932	429,833
 Total.....	 \$1,457,370	 \$2,149,165

The financial statements for the Eastern States Farmers' Exchange as of December 31, 1949 and 1950 were as follows:

	<u>1949</u>	<u>1950</u>
<b>Assets:</b>		
Current assets.....	\$12,529,477	\$13,423,802
Fixed assets (net).....	14,256,469	16,285,820
Other assets.....	846,954	729,738
 Total.....	 \$27,632,900	 \$30,439,360
<b>Liabilities and net worth:</b>		
Current liabilities and reserves.....	\$2,688,883	\$5,056,202
Fixed indebtedness.....	9,000,000	7,000,000
Net worth (patrons' equity).....	15,944,017	18,383,158
 Total.....	 \$27,632,900	 \$30,439,360

All net worth, or patrons' equity, in this non-stock, farmers, cooperative was accumulated through retained savings. In other words, each patron has contributed to the structure in proportion to the use he has chosen to make of the services provided.

On December 31, 1950, Eastern States had 1,424 employees. Of these 426 were engaged in general administrative activities; 739 in manufacturing and processing operations; and 259 in distributing through its warehouses. These figures include only employees on the payroll of the organization. They do not include farmer-representatives and employees of cooperatives distributing supplies to Eastern States as their compensation is in the form of local handling charges paid by members.

#### CONSUMERS COOPERATIVE ASSOCIATION

The Consumers Cooperative Association, Kansas City, Mo., was organized in 1929. At the end of its operating year, August 31, 1950, it served 1,417 member associations and 306 non-member associations in Missouri, Kansas, Oklahoma, Nebraska, Iowa, Colorado, North Dakota, South Dakota, Utah, and Wyoming. These associations, in turn, served approximately 423,000 patrons, of whom about 98 percent were farmers.

The Cooperative Refinery Association, a subsidiary corporation, performs oil refining and producing services. All of the common stock of the Cooperative Refinery Association is owned by the Consumers Cooperative Association. Savings of the subsidiary, after reserves have been created and dividends paid on preferred stock, accrued to the Consumers Cooperative Association.

The value of supplies distributed by the Consumers Cooperative Association and its subsidiary is shown in the following summary for the fiscal years ending August 31, 1949 and 1950:

<u>Commodity</u>	<u>11/ 1949</u>	<u>1950</u>
Petroleum products.....	\$37,774,922	\$43,450,045
Tires, tubes, and auto accessories.....	1,942,411	2,098,600
Propane equipment and supplies.....	488,571	378,452
Farm machinery and parts.....	2,190,151	1,130,923
Farm equipment.....	348,113	175,810
Lumber, paint and building supplies.....	2,019,595	2,418,604
Hardware.....	255,734	145,067
Feed.....	5,678,828	5,712,936
Seed.....	9,122	55,108
Fertilizer.....	1,635,598	2,509,758
Insecticides.....	503,905	616,670
Fence and wire.....	488,286	568,623
Farm and home appliances.....	593,638	629,302
Twine.....	245,184	200,620
Coal and coke.....	10,538	68,486
Groceries.....	1,064,765	1,379,083
Store supplies and equipment.....	88,386	122,221
Miscellaneous <u>12/</u> .....	654,384	768,152
Total.....	\$55,992,131	\$62,428,460

11/ Revised.

12/ Includes housewares, household supplies, feed bags, printing supplies, drugs and cosmetics, sporting goods, sundries, and transportation services.

Total net savings from operations of CCA and CRA amounted to \$86,334 in 1949 and \$722,076 in 1950.

Savings were distributed in the following manner for the past 2 years:

<u>Distributions of net savings</u>	<u>1949</u>	<u>1950</u>
Cash dividends on stock.....	\$93,683	\$82,829
Patronage refunds in cash.....	21,960	-
Patronage refunds in share capital.....	1,056	-
Additions to reserves.....	-32,280	639,247
Deferred patronage refunds to revolving fund.	1,105	-
Provision for income tax.....	810	-
Total.....	\$86,334	\$722,076

Other affiliated and partially-owned businesses of CCA-CRA provided additional margins for a grand total of \$437,378 net savings in 1949 and \$732,293 in 1950 as follows:

	<u>1949</u>	<u>1950</u>
CCA-CRA.....	\$86,334	\$722,076
The Cooperative Finance Association, Inc.....	546	1,092
Consumers Insurance Agency.....	7,413	9,125
Bridgeport Oil Co., Inc. (proportionate to ownership)	343,085	<u>13/</u> -
Total.....	\$437,378	\$732,293

Certificates in the amount of \$530,891 originally issued in payment of 1943 deferred patronage refunds were retired during 1949 under the revolving fund plan. Redemptions representing 1944 deferred patronage refunds totaled \$923,546 in 1950.

The consolidated balance sheet of the Consumers Cooperative Association and its subsidiary for the years ending August 31, 1949 and 1950, was as follows:

	<u>1949</u>	<u>1950</u>
Assets:		
Current assets.....	\$19,317,511	\$18,039,906
Fixed assets (net).....	23,615,127	22,988,340
Other assets.....	6,098,831	6,142,248
Total.....	\$49,031,469	\$47,170,494
Liabilities and net worth:		
Current liabilities.....	\$18,286,613	\$14,185,257
Other liabilities.....	10,713,872	14,150,337
Net worth.....	20,030,984	18,834,900
Total.....	\$49,031,469	\$47,170,494

13/ Bridgeport Oil Company was liquidated on April 30, 1949, and subsequently operations of Bridgeport have been included as a part of the operations of CRA, insofar as they reflected CRA's distributed equity in Bridgeport's properties.

The principal facilities owned and operated by CCA and its petroleum subsidiary on August 31, 1950, were as follows:

Type of facility	Number of plants or units	Cost value	Depreciated value
Petroleum refineries.....	4	\$9,050,021	\$6,938,444
Crude oil production:			
Facilities (equipment).....		5,697,166	4,405,298
Oil reserves (leaseholds).....		9,102,829	4,567,215
Pipelines (miles).....	973	3,364,684	2,854,418
Distribution and transportation:			
Warehouses and terminals <u>14</u> /.....	8	651,664	536,763
Highway transports <u>15</u> /.....	94	715,902	388,653
Manufacturing:			
Facilities.....	<u>16</u> /	3,451,661	2,670,602
Timber.....		391,680	188,658
Administrative building and equipment.....		498,172	335,528
Non-operating buildings and equipment.....		135,488	102,761
Total.....		\$33,059,267	\$22,988,340

In addition to these facilities, CCA and CRA has \$4,310,000 invested in jointly owned federations of regional co-ops which operated various manufacturing and wholesaling facilities.

The Consumers Cooperative Association and its subsidiary corporations had 2,145 employees on August 31, 1950 -- 619 engaged in general administrative activities, 864 in oil production and refining, 399 in manufacturing plants (other than refining), and 263 in transportation terminals and warehouses.

#### ILLINOIS FARM SUPPLY COMPANY

The Illinois Farm Supply Company, with headquarters in Chicago, was organized in 1927. At the end of its operating year on August 31, 1950, it was providing a wholesale farm supply service for member associations

14/ Includes some machinery, equipment, furniture, and fixtures for leased facilities.

15/ Includes three fertilizer plants and one each of the following: A paint plant, printing plant, lumber mill, vegetable cannery, feed mill, alfalfa dehydration plant, soybean mill, and animal protein plant.

16/ Includes 65 tank trucks, 26 merchandise units and three service units.

throughout the State of Illinois. 17/ The member associations, in turn, served about 125,000 patrons, of whom 97 percent were farmers. Member associations must be organized under the Agricultural Cooperative Act of Illinois and must be engaged wholly or partly in cooperative distribution of farm supplies.

The value of supplies distributed by the Illinois Farm Supply Company during the fiscal years ending August 31, 1949 and 1950, was as follows:

<u>Commodity</u>	<u>1949</u>	<u>1950</u>
Feed.....	\$8,419,306	\$10,602,019
Fertilizer.....	4,606,220	4,857,480
Petroleum products.....	25,327,384	24,338,920
Tires, tubes, and accessories.....	758,614	1,080,512
Farm equipment.....	987,485	540,764
Steel products.....	752,854	676,232
Lumber, paint and other maintenance equipment.....	656,265	647,419
Insecticides.....	583,201	582,027
Electrical equipment.....	147	219
Twine.....	38,661	108,161
Miscellaneous <u>18/</u> .....	2,855,147	4,152,984
 Total.....	 \$44,985,284	 \$47,586,737

The total net savings, before income taxes, from all manufacturing wholesaling, and transportation operations amounted to \$1,863,331 in 1949 and \$2,840,794 in 1950. These savings were distributed for the 2 years in the following way:

<u>Distribution of net savings</u>	<u>1949</u>	<u>1950</u>
Income taxes.....	\$233,565	\$296,000
Cash dividends on stock.....	289,077	323,055
Patronage refunds in cash.....	1,000,689	1,920,939
Patronage refunds in capital stock.....	265,000	200,800
Additions to reserves.....	75,000	100,000
 Total.....	 \$1,863,331	 \$2,840,794

17/ Eighty-five of the member associations are cooperative petroleum service companies that operate over county-wide areas. The remaining 79 are farmers' cooperatives of various types.

18/ Includes the gross freight income of the transportation department.

The financial condition of the Illinois Farm Supply Company as of August 31, 1949 and 1950, was as follows:

	<u>1949</u>	<u>1950</u>
<b>Assets:</b>		
Current assets.....	\$6,117,299	\$8,020,961
Fixed assets (net).....	3,990,421	4,607,232
Other assets <u>19/</u> .....	4,346,446	3,257,005
<b>Total.....</b>	<b>\$14,454,166</b>	<b>\$15,885,198</b>
<b>Liabilities and net worth:</b>		
Current liabilities.....	\$3,547,203	\$4,735,501
Other liabilities.....	<u>20/</u> 2,725,473	2,238,521
Net worth (capital and reserves).....	8,181,490	8,911,176
<b>Total.....</b>	<b>\$14,454,166</b>	<b>\$15,885,198</b>

On August 31, 1950, 70 percent of the net worth had been accumulated through the sale of stock, while 30 percent represented retained savings.

The Illinois Farm Supply Company has one wholly-owned subsidiary - the Loudon Pipeline Company - which operates crude oil pipelines and a small amount of production properties. Only the investment which the Illinois Farm Supply Company has in this subsidiary is included in its balance sheet.

The type and value of the principal operating facilities owned by the Illinois Farm Supply Company and its wholly-owned subsidiary as of August 31, 1950, was as follows:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Feed mills.....	2	\$1,192,914	\$1,070,190
Marine terminal bulk petroleum plants.....	2	334,786	228,830
Transport trucks.....	28	315,782	165,876
Barges and towboats.....	13	1,068,709	845,106
Tire recapping plant.....	1	7,759	422
Plant food plant.....	1	1,600,642	1,459,408
Petroleum refinery.....	1	825,600	727,454
Other facilities.....		137,790	109,948
<b>Total.....</b>		<b>\$5,483,982</b>	<b>\$4,607,234</b>

19/ Other assets include investment in wholly-owned pipeline. Also investment in 5 refineries jointly owned and other small investments.

20/ Includes \$2,203,000 balance due on 10 year, 4 percent, debentures.

In addition to these facilities, Illinois Farm Supply Company had \$402,378 invested in jointly owned federations of regional cooperatives which operated various manufacturing and wholesaling facilities.

The Illinois Farm Supply Company had 517 employees on August 31, 1950 - 170 engaged in general administration, and 347 in manufacturing, warehousing, and processing operations.

#### INDIANA FARM BUREAU COOPERATIVE ASSOCIATION, INC.

The Indiana Farm Bureau Cooperative Association, Inc., with headquarters at Indianapolis, Ind., was organized in its present form in February 1927. At the end of its operating year, December 31, 1950, it was serving 85 county farm bureau cooperative associations in Indiana 21/ and 1 in Kentucky. These 86 associations distribute supplies to approximately 140,000 patrons, about 90 percent of whom are farmers.

Supplies distributed during 1949 and 1950 were as follows:

<u>Commodity</u>	<u>1949</u>	<u>1950</u>
Feed.....	\$6,954,420	\$8,007,179
Seed.....	1,483,042	1,560,772
Fertilizer.....	4,711,188	4,895,599
Gas, oil, and grease.....	12,140,225	15,136,282
Tires, tubes, and other accessories.....	194,482	386,143
Farm machinery.....	2,816,702	3,143,471
Farm equipment.....	323,603	441,208
Steel products.....	1,861,631	2,554,432
Lumber, paint, and other maintenance equipment.....	2,276,599	2,647,523
Insecticides.....	184,180	236,180
Electrical equipment and appliances.....	674,607	746,421
Twine.....	52,173	76,693
Coal.....	765,506	1,351,925
Chicks, eggs, and turkey poult.....	254,684	228,934
Hog serum and virus.....	216,641	233,079
Miscellaneous.....	680,317	741,038
 Total.....	 \$35,590,000	 \$42,386,879

The association has moved steadily into the field of marketing in recent years. Its first venture was in March 1947 when the Poultry and Egg Department was started. In October 1947 the Indiana Wool Growers was merged with the association and in October 1949 the directors of the Indiana Grain Cooperative voted to merge with the association. As of January 1, 1950, the Indiana Grain Marketing Division of the association was serving 185 locally owned cooperative elevators in the State. 22/

- 21/ Many of these county cooperatives also render marketing services on grain, wool, poultry, eggs, and other products.
- 22/ While grain accounted for approximately 60 percent of total business during the past year, it seemed advisable to include this association in Part I of the handbook because of (1) the desirability of maintaining continuity of information on major supply operations in the country, and (2) the fact that by far the larger proportion of the association's facilities, capital, net savings, and personnel were accounted for by the supply business.

The sales value of farm products marketed by the association during 1949 and 1950 was as follows: 23/

	<u>1949</u>	<u>1950</u>
Grain <u>24/</u> .....	-	\$57,251,337
Poultry.....	\$2,075,502	1,785,270
Eggs.....	1,250,705	1,089,584
 Total	 \$3,326,207	 \$60,126,191

Net savings were distributed in the following manner:

<u>Distribution of net savings</u>	<u>1949</u>	<u>1950</u>
Cash dividends on stock.....	\$584,183	\$201,308
Patronage refunds in stock.....	942,197	2,041,047
Amount retained in reserves.....	235,549	874,734
 Total.....	 \$1,761,929	 \$3,117,089

In March 1948 the association retired all common stock that has been issued up to January 1, 1942, under the revolving fund plan amounting to \$270,500 - \$268,400 in common voting stock and \$2,100 in non-voting stock. No redemptions were made in 1949 and 1950.

The financial condition of the Indiana Farm Bureau Cooperative Association, Inc., on December 31, 1949 and 1950, is shown in the following condensed financial statement:

	<u>1949</u>	<u>1950</u>
<b>Assets:</b>		
Current assets.....	\$11,142,892	\$21,867,695
Fixed assets (net).....	5,082,970	9,259,408
Other assets.....	5,794,294	6,789,358
 Total.....	 \$22,020,156	 \$37,916,461
<b>Liabilities and net worth:</b>		
Current liabilities.....	\$2,664,510	\$10,366,215
Other liabilities.....	1,406,234	1,127,113
Net worth (capital and reserves)....	17,949,412	26,423,133
 Total.....	 \$22,020,156	 \$37,916,461

On December 31, 1950, the association reported that 81 percent of its net worth represented retained savings. The remaining 19 percent had been accumulated through the sale of stock.

23/ The wool department handled on a commission basis 701,418 pounds of wool during the 1949 season - approximately 32 percent of the total production in Indiana. In 1950 the volume handled was 897,113 pounds or 47 percent of the production in the State.

24/ In its fiscal year ending May 31, 1949, the Indiana Grain Cooperative marketed 33,200,000 bushels of grain with a value of \$64,530,000.

At the close of 1950, the principal wholesale purchasing and manufacturing facilities owned and operated included the following:

Type of facility	Number of plants or units	Cost value	Depreciated value
Fertilizer plants.....	1	\$1,136,026	\$798,851
Seed cleaning plants.....	1	73,190	44,414
Wholesale farm supply warehouses...	1	440,041	391,631
Petroleum refinery.....	1	4,354,217	3,469,604
Transport trucks.....	25	285,092	89,328
General delivery trucks.....	21	58,760	28,498
Barges.....	2	60,367	32,574
General office building.....	1	313,796	299,594
Oil well leases and equipment.....		1,473,597	846,545
<b>Total 25/.....</b>		<b>\$8,195,086</b>	<b>\$6,001,039</b>

In addition, investments of approximately \$2,776,000 in facilities were owned jointly with other cooperative associations.

On December 31, 1950, the Indiana Farm Bureau Cooperative Association had 999 employees. Of these, 219 were engaged in general administrative activities; 611 in manufacturing, warehousing, and processing operations; 8 in retail distribution; 112 in wholesale distribution; and 49 in marketing farm products.

#### FARMERS UNION CENTRAL EXCHANGE, INC.

The Farmers Union Central Exchange, Inc., with headquarters at St. Paul, Minn., was organized in 1931. At the end of December 1950, it was serving 455 active member associations with approximately 200,000 patrons, 90 percent of whom were farmers. It also was serving 375 non-member associations with 150,000 patrons, 80 percent of whom were farmers. The Exchange operates in North Dakota, South Dakota, Montana, Minnesota, Wisconsin, Idaho, and Wyoming.

25/ In addition, the following properties were included under "other assets":

- (a) Crude oil pipelines and equipment operated by Farm Bureau Oil Co. - a subsidiary - which had a cost value of \$805,800 and a book value of \$437,133.
- (b) Crude oil properties which had a cost value of \$4,446,311 and a book value of \$2,569,222.
- (c) Lumber mill and timber holdings operated by Farm Bureau Lumber Corporation - a subsidiary - which had a cost value of \$502,342 and a book value of \$397,888.

The value of supplies distributed during 1949 and 1950 was as follows:

<u>Commodity</u>	<u>1949</u>	<u>1950</u>
Feed.....	\$1,811,265	\$2,135,602
Seed.....	460,763	713,876
Fertilizer.....	761,478	1,073,322
Petroleum products.....	24,530,640	25,510,206
Tires, tubes, and other accessories.....	1,990,050	3,215,993
Farm machinery.....	2,827,728	2,086,703
Milking machines.....	52,031	67,837
Paint.....	222,489	233,176
Hardware and building material.....	1,206,780	1,672,249
Insecticides.....	-	33,747
Electrical equipment and appliances.....	459,994	583,420
Twine.....	189,165	260,905
Coal.....	8,346	-
Groceries.....	56,475	-
Agricultural chemicals.....	309,421	267,539
Miscellaneous.....	102,984	141,890
L.P. Gas equipment.....	-	401,310
Oil equipment.....	-	376,210
Total.....	\$34,989,609	\$38,773,985

Net savings of the Exchange for the last 2 years were derived as follows:

	<u>1949</u>	<u>1950</u>
Manufacturing and wholesale purchasing operations.....	\$2,477,332	\$3,415,141
Net savings in form of stock and stock credits from other cooperatives.....	380,918	589,204
Total.....	\$2,858,250	\$4,004,345

These net savings were distributed in the following manner:

<u>Distribution of net savings</u>	<u>1949</u>	<u>1950</u>
Cash.....	\$3,677	\$3,671
Educational fund.....	133,895	187,263
Patronage refunds in capital stock.....	1,863,204	3,195,399
Amount retained in reserves.....	714,562	417,795
Employees' savings-sharing fund.....	142,912	200,217
Total.....	\$2,858,250	\$4,004,345

All capital stock originally issued in payment of patronage refunds was retired through the year 1942.

The financial condition of the Farmers Union Central Exchange, Inc., on December 31, 1949 and 1950, is shown in the following condensed financial statement:

	<u>1949</u>	<u>1950</u>
<b>Assets:</b>		
Current assets.....	\$8,339,352	\$10,918,522
Fixed assets (net).....	2,429,383	2,917,282
Other assets.....	421,404	422,861
Investments.....	7,879,352	8,039,285
<b>Total.....</b>	<b>\$19,069,491</b>	<b>\$22,297,950</b>
<b>Liabilities and net worth:</b>		
Current liabilities.....	\$3,056,997	\$3,705,061
Non-current liabilities.....	203,161	-
Net Worth (capital and reserves).....	15,809,333	18,592,889
<b>Total.....</b>	<b>\$19,069,491</b>	<b>\$22,297,950</b>

Facilities owned and operated at the close of 1950 included:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Wholesale farm supply warehouse...	5	\$241,094	\$175,413
Oil blending plant and main buildings.....	10	1,139,469	960,604
Oil blending equipment.....		103,655	46,135
Auto and trucks.....		105,787	84,403
Furnitures and fixtures.....		289,830	194,354
Refinery property.....	1	2,316,520	1,187,897
Bottled gas plants and equipment..	9	276,184	236,089
Other facilities.....		37,033	32,387
<b>Total.....</b>		<b>\$4,509,872</b>	<b>\$2,917,282</b>

On December 31, 1950, the Farmers Union Central Exchange had 473 employees. Of these, 70 were engaged in general and administrative activities and 403 in manufacturing, warehousing, and processing operations.

#### THE FARM BUREAU COOPERATIVE ASSOCIATION, INC. (OHIO)

The Farm Bureau Cooperative Association, Inc., with headquarters at Columbus, Ohio, was organized in its present form on July 31, 1933. At the end of its operating year, December 31, 1950, it was serving 88 member associations with 218 distributing points in the State of Ohio. These cooperative outlets served 185,000 patrons, of whom 90 percent were farmers.

The value of supplies distributed during 1949 and 1950 is shown in the following summary:

<u>Commodity</u>	<u>1949</u>	<u>1950</u>
Feed.....	\$10,332,913	\$11,456,423
Fertilizer.....	4,464,580	4,283,457
Seed and seed potatoes.....	1,879,144	1,778,877
Gas, oil, and grease.....	10,388,418	10,740,466
Tires, tubes, and other accessories....	179,621	267,196
Farm machinery.....	2,281,056	2,356,210
Farm equipment.....	197,260	136,691
Steel products.....	1,090,810	1,361,009
Lumber, paint and other maintenance equipment.....	1,018,316	1,266,240
Insecticides.....	378,140	362,131
Electrical equipment and appliances....	302,774	355,941
Coal.....	229,974	394,124
Miscellaneous.....	831,475	790,623
<b>Total 26/.....</b>	<b>27/\$33,574,481</b>	<b>28/\$35,550,388</b>

The value of farm products marketed through The Farm Bureau Cooperative Association, Inc., amounted to the following:

<u>Commodity</u>	<u>1949</u>	<u>1950</u>
Grain.....	\$19,668,056	\$16,115,918
Eggs.....	1,512,064	307,632
<b>Total.....</b>	<b>\$21,180,120</b>	<b>\$16,423,550</b>

These net savings were distributed in the following manner:

<u>Distribution of net savings</u>	<u>1949</u>	<u>1950</u>
Cash dividends on stock.....	\$315,467	\$331,402
Cash patronage refunds.....	6,411	7,784
Patronage refunds in capital stock.....	400,000	460,000
Amount retained in reserves.....	240,626	266,396
<b>Total.....</b>	<b>\$962,504</b>	<b>\$1,065,582</b>

Stock or certificates amounting to \$258,671, originally issued in payment of patronage refunds was retired during 1949 under revolving fund plans. The amount retired in 1950 was \$385,607.

26/ Home appliances and other consumer goods are handled by the Cooperative Wholesale Association, Columbus, Ohio. This is a separate organization managed and financed by The Farm Bureau Cooperative Association. Thirty-one of its 32 members are county Farm Bureau co-ops. Its sales totaled \$607,909 in 1949 and \$844,130 in 1950. Net savings were \$180 in 1949 and \$40,719 in 1950.

27/ Includes \$6,622 intercompany transactions.

28/ Includes \$62,952 intercompany transactions.

The financial condition of The Farm Bureau Cooperative Association, Inc., as of December 31, 1949 and 1950, is shown in the following condensed financial statement:

	<u>1949</u>	<u>1950</u>
<b>Assets:</b>		
Current assets.....	\$9,161,515	\$12,155,943
Fixed assets (net).....	2,302,821	3,498,713
Other assets <sup>29/</sup> .....	4,863,581	5,064,823
<b>Total.....</b>	<b>\$16,327,917</b>	<b>\$20,719,479</b>
<b>Liabilities and net worth:</b>		
Current liabilities.....	\$4,138,233	\$6,711,111
Other liabilities.....	2,123,338	3,263,158
Net worth (capital and reserves) ..	10,066,346	10,745,210
<b>Total.....</b>	<b>\$16,327,917</b>	<b>\$20,719,479</b>

Forty-one percent of the net worth was accumulated through the sale of stock and 59 percent was built up by savings.

The Farm Bureau Cooperative Association owns a subsidiary - The Louisville Refining Company - which refines petroleum products and in turn owns a subsidiary - The Producers Pipeline Company - which produces and transports crude oil. Only the investments which The Farm Bureau Cooperative Association has in these subsidiaries is included in its balance sheet.

The principal operating facilities owned and operated by The Farm Bureau Cooperative Association, and its subsidiaries at the close of the 1950 fiscal year are as follows:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Feed mills.....	3	\$891,447	\$401,446
Fertilizer plants.....	5	767,451	395,458
Wholesale farm supply warehouses....	5	325,362	216,117
Transport trucks.....	17	101,314	34,186
Oil delivery trucks.....	36	205,578	102,643
Petroleum refinery.....		2,068,415	1,147,463
Crude oil pipe line.....		858,183	267,349
Crude oil properties.....		1,002,133	735,675
<b>Total.....</b>		<b>\$6,219,883</b>	<b>\$3,300,337</b>

On December 31, 1950, The Farm Bureau Cooperative Association, Inc., had 582 employees. Of these, 273 were engaged in general and administrative activities; 169 in manufacturing, warehousing, and processing operations; 111 in wholesale distribution; and 29 in marketing farm products.

29/ Other assets include investments of \$1,729,860 in feed, fertilizer, petroleum processing, and other facilities jointly owned with other cooperative associations and \$3,047,913 in wholly-owned subsidiaries operating refining and pipe line facilities.

## MIDLAND COOPERATIVE WHOLESALE

The Midland Cooperative Wholesale, with headquarters at Minneapolis, Minn., was organized on September 8, 1926. At the end of its operating year on December 31, 1950, it was serving 637 member associations with 250,000 patrons, 95 percent of whom were farmers. It was also serving 177 non-member associations with 15,000 patrons, 90 percent of whom were farmers. The association operates throughout Minnesota except for the northeastern quarter. It also operates throughout Wisconsin except for the extreme north, in northern Iowa, and in the extreme eastern parts of the Dakotas.

The value of supplies distributed by the Midland Cooperative Wholesale in 1949 and 1950 was as follows:

<u>Commodity</u>	<u>1949</u>	<u>1950</u>
Feed, flour, and middlings.....	\$2,653,614	\$2,679,307
Fertilizer.....	1,504,182	1,767,969
Seed.....	1,151,677	1,308,820
Petroleum products.....	16,623,757	18,074,093
Tires, tubes, and accessories.....	985,028	1,586,738
Farm machinery.....	1,332,573	1,101,694
Steel products.....	357,741	506,772
Paint and related products.....	164,069	175,751
Insecticides.....	44,174	22,188
Electrical equipment.....	695,674	755,037
Coal.....	248,584	473,971
Groceries and dry goods.....	764,236	334,827
Hardware and farm tools.....	368,145	425,128
Oil station equipment.....	217,052	245,390
Miscellaneous.....	4,107	3,311
 Total.....	\$27,114,613	\$29,460,996

A net loss of \$197,164 was reported on wholesale and manufacturing supply operations in 1949. Net savings, before income taxes, amounted to \$1,064,332 in 1950. These were distributed in the following manner:

<u>Distribution of net savings</u>	<u>1949</u>	<u>1950</u>
Cash dividends on stock.....	-	\$239,898
Patronage refunds in capital stock.....	-	563,605
Provision for income taxes.....	-	192,428
Amount retained in unallocated surplus.....	-\$197,164	68,401
 Total.....	-\$197,164	\$1,064,332

The financial condition of the Midland Cooperative Wholesale as of December 31, 1949 and 1950, is shown in the following condensed financial statement:

	<u>1949</u>	<u>1950</u>
<b>Assets:</b>		
Current assets.....	\$6,038,593	\$7,699,224
Fixed assets (net).....	3,899,145	3,411,789
Other assets.....	5,887,620	6,045,798
<b>Total.....</b>	<b>\$15,825,358</b>	<b>\$17,156,811</b>
<b>Liabilities and net worth:</b>		
Current liabilities.....	\$4,816,309	\$4,165,465
Other liabilities.....	1,936,700	3,233,507
Net worth (capital and reserves).....	9,072,349	9,757,839
<b>Total.....</b>	<b>\$15,825,358</b>	<b>\$17,156,811</b>

On December 31, 1950, the Midland Cooperative Wholesale owned and operated the following principal facilities:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depreciated value</u>
Crude oil properties.....		\$3,030,061	\$1,491,841
Refinery (complete).....	1	2,008,934	1,332,946
Oil blending plant and bulk petroleum plants and warehouse .....	2	654,577	481,082
Transport trucks and trailers.....		9,246	1,566
Other properties.....		214,985	104,354
<b>Total.....</b>		<b>\$5,917,803</b>	<b>\$3,411,789</b>

Investments by Midland in other production and operating facilities owned jointly with other cooperatives were as follows at the end of 1950:

<u>Type of facility</u>	<u>Amount invested</u>
Fertilizer, feed, and seed processing.....	\$1,246,121
Shingle mill and timber.....	25,727
Refineries and pipelines.....	3,954,223
Farm machinery factories.....	203,589
Soybean mill.....	103,623
Properties of National Cooperatives, Inc. (including milking machine factory).....	372,587
Other investments.....	42,211
<b>Total.....</b>	<b>\$5,948,081</b>

On December 31, 1950, the Midland Cooperative Wholesale had 424 employees. Of these, 170 were engaged in general and administrative activities; 172 in manufacturing, warehousing, and processing operations; and 82 in wholesale distribution.

FARMERS COOPERATIVE EXCHANGE, INC.

The Farmers Cooperative Exchange, Inc., known as FCX, with headquarters at Raleigh, N. C., was organized on March 12, 1934. 30/ It serves approximately 153,000 patrons in North and South Carolina, almost all of whom are farmers.

Supplies are distributed through 55 FCX centrally managed subsidiary retail service stores, 36 independent cooperative associations, and 175 private dealer agencies.

The value of supplies distributed at wholesale by the FCX through the outlets listed was as follows for the years ending June 30, 1949 and 1950:

<u>Commodity</u>	<u>1949</u>	<u>1950</u>
Feeds and grains.....	\$5,054,884	\$5,987,275
Fertilizer.....	2,052,069	2,693,771
Seeds.....	2,060,720	3,181,264
Steel, asphalt, and building materials.....	2,561,069	1,680,256
Paint supplies.....	82,041	70,360
Farm machinery.....	885,571	1,125,755
Electrical appliances.....	414,388	735,426
Oils, tires, and tubes.....	52,394	56,958
Sprays and dusts.....	236,315	551,152
Miscellaneous farm supplies.....	600,827	670,092
 Total.....	 \$14,000,278	 \$16,752,309

The value of supplies distributed at retail by FCX-managed retail outlets amounted to \$13,382,449 in 1949 and \$11,755,130 in 1950.

30/ The operations of FCX are closely related to the North Carolina Cotton Growers Cooperative Association. The same general manager serves both organizations. The cotton handled by the North Carolina Cotton Growers Association was valued at \$14,134,000 during the 1949 season and \$6,101,589 during the 1950 season. The association's net worth on June 30, 1949, was \$619,093 and on June 30, 1950, it was \$715,439.

The value of farm products marketed by FCX was as follows for 1949 and 1950:

<u>Commodity</u>	<u>1949</u>	<u>1950</u>
Grains.....		
Seeds.....)	\$1,074,676	\$1,310,391
Eggs and poultry.....	-	390,248
Livestock.....	910,020	308,694
Wool.....	-	14,450
Miscellaneous.....	-	108,740
 Total.....	 \$1,984,696	 \$2,132,523

Net savings of FCX amounted to \$380,763 for the year ending June 30, 1949, and \$503,589 for 1950.

These net savings were distributed in the following manner:

<u>Distribution of net savings</u>	<u>1949</u>	<u>1950</u>
Cash dividends on stock.....	\$127,283	\$165,113
Cash patronage refunds.....	12,353	10,944
Patronage refunds in capital stock.....	238,752	325,573
Amount retained in reserves.....	2,375	1,959
 Total.....	 \$380,763	 \$503,589

Stock or certificates totaling \$7,971, originally issued as patronage refunds, were retired during the year under the revolving fund plan.

The financial condition of the FCX as of June 30, 1949 and 1950, is shown in the following condensed financial statement:

	<u>1949</u>	<u>1950</u>
<b>Assets:</b>		
Current assets.....	\$3,860,132	\$4,526,723
Fixed assets (net).....	1,507,320	1,697,746
Other assets.....	916,350	956,934
 Total.....	 \$6,283,802	 \$7,181,403
 <b>Liabilities and net worth:</b>		
Current liabilities.....	\$1,652,602	\$1,485,859
Other liabilities.....	491,800	836,400
Net worth (capital and reserves).....	4,139,400	4,859,144
 Total.....	 \$6,283,802	 \$7,181,403

The number and value of facilities owned and operated by FCX and its affiliated service stores, and marketing unit on June 30, 1950, were as follows:

Type of facility	Number of plants or units	Cost value <u>31/</u>	Depreciated value <u>31/</u>
Wholesale farm supply warehouses...	5		
Fertilizer mixing plant.....	1		
Seed-cleaning plants.....	20		
Retail farm supply stores.....	55		
General delivery trucks.....	120		
Office buildings.....	1		
Miscellaneous.....	2		
Total.....		\$1,688,155	\$1,465,909

In addition to these facilities, FCX and Southern States Cooperative, Inc., jointly own a cooperative feed mill at Statesville, N. C. They jointly manufacture feed in Norfolk and Roanoke, Va., and fertilizer in a cooperative fertilizer plant in Norfolk, Va. The FCX investment in these facilities on June 30, 1950, amounted to \$522,613.

On June 30, 1950, FCX had 625 employees. Of these, 100 were engaged in general administrative activities; 55 in manufacturing, warehousing, and processing operations; and 470 in retail distribution.

#### MFA MILLING COMPANY

The MFA Milling Company, with headquarters at Springfield, Mo., was organized in 1923 and reorganized on its present basis in 1929. At the end of its operating year on June 30, 1950, it was serving 117 local MFA farmers' cooperative exchanges with approximately 75,000 farmer-members. In addition, through arrangements with regional supply cooperatives in two States and through direct arrangements with locals in two other States, farmers obtain feed from MFA Milling Company at 125 local outlets in four additional States. The MFA Milling Company, the largest regional purchasing association affiliated with the Missouri Farmers Association, is owned by local MFA cooperatives in south Missouri. 32/

31/ Itemized amounts were not reported.

32/ In addition to the MFA Milling Company, 17 of the 35 major agencies affiliated with the MFA are engaged mainly in the wholesale purchasing and manufacturing of farm supplies. These 18 major agencies, including the MFA Milling Company, handled \$42,790,356 worth of farm supplies in the fiscal year ending in 1950, while 16 major agencies handled \$36,770,777 in the fiscal year ending in 1949. Feed supplies made up the major share of this volume, accounting for about 58 percent of the total. The next largest item was petroleum products which comprised about 14 percent of the total volume.

These 18 MFA affiliated major agencies had assets in 1950 of \$16,700,000 compared with liabilities of \$7,100,000 and a net worth of \$9,600,000.

Purchasing operations do not include data on 243 local MFA exchanges, as there is some duplication between their volume and that of the major agencies.

The local cooperatives, in turn, are owned by the MFA members which they serve. The MFA Milling Company is organized on a non-stock, non-profit plan, and is financed by patrons' equities. Half of the board of directors is named by the local cooperatives it serves, which constitute its class A membership, and the other half is named by the State Board of the Missouri Farmers Association, which constitutes its class B membership.

Supplies distributed by the MFA Milling Company were as follows during the years ending June 30, 1949 and 1950:

<u>Commodity</u>	<u>33/1949</u>	<u>1950</u>
Feed.....	\$17,324,304	\$20,359,398
Seed.....	663,024	820,519
Wire.....	305,708	139,659
Twine.....	47,240	-
Paint.....	29,518	19,859
 Total.....	 \$18,369,794	 \$21,339,435

The total net savings for 1949 and 1950 were distributed as follows:

<u>Distribution of net savings</u>	<u>1949</u>	<u>1950</u>
Patronage refunds in cash.....	\$750,000	\$1,000,000
Additions to membership equity reserves.....	182,840	342,518
 Total.....	 \$932,840	 \$1,342,518

The following condensed financial statement shows the financial condition of the MFA Milling Company on June 30, 1949 and 1950:

	<u>1949</u>	<u>1950</u>
<b>Assets:</b>		
Current assets.....	\$2,429,632	\$2,701,701
Fixed assets (net).....	761,490	1,086,770
Other assets.....	131,537	129,842
 Total.....	 \$3,322,659	 \$3,918,313
<b>Liabilities and net worth:</b>		
Current liabilities.....	\$53,041	\$50,111
Other liabilities.....	318,845	334,910
Net worth.....	2,950,773	3,533,292
 Total.....	 \$3,322,659	 \$3,918,313

33/ Revised.

On June 30, 1950, the operating facilities of the MFA Milling Company consisted of the following:

Type of facility	Number of plants or units	Cost value	Depreciated value
Total value of mill buildings, machinery, and equipment.....	2	\$1,506,506	\$1,054,620

The MFA Milling Company, in June 1950, had 317 employees, of whom 187 were at Springfield and 130 at Aurora. Of these, 30 were engaged in general administrative activities; 278 in manufacturing, warehousing, and processing operations; and 9 in field service work.

#### PENNSYLVANIA FARM BUREAU COOPERATIVE ASSOCIATION

The Pennsylvania Farm Bureau Cooperative Association, with headquarters at Harrisburg, Pa., was organized in 1934. At the close of 1950 it was serving 33 member associations operating on a county-wide basis with 70,000 patrons of whom 90 percent were farmers. Supplies are also distributed by 26 private dealer agents and 3 farmer fertilizer agents. Its total service area comprises 53 counties in the State of Pennsylvania.

Supplies were distributed for the years ending December 31, 1949 and 1950, as follows:

Commodity	1949	1950
Feed.....	\$6,815,134	\$7,292,737
Fertilizer.....	1,747,235	1,815,607
Seed.....	987,208	968,703
Petroleum products.....	5,332,855	5,749,082
Tires, tubes, and other accessories .....	195,672	270,665
Farm machinery.....	751,451	592,374
Farm equipment.....	638,229	639,275
Steel products.....	439,616	749,876
Lumber, paint, and other maintenance equipment.....	311,008	156,059
Insecticides.....	325,743	314,539
Electrical equipment and appliances.....	201,384	347,153
Twine.....	106,806	141,490
Miscellaneous.....	151,838	197,183
Total.....	\$18,004,179	\$19,234,743

Net savings, before income taxes, for the years ending December 31, 1949 and 1950, were derived as follows:

Source of net savings	1949	1950
Manufacturing and wholesale purchasing operations.....	\$567,887	\$710,916
Other operations.....	66,638	70,048
Total.....	\$634,525	\$780,964

These net savings were distributed in the following manner:

<u>Distribution of net savings</u>	<u>1949</u>	<u>1950</u>
Cash dividends on stock.....	\$121,929	\$139,366
Patronage refunds in capital stock.....	182,020	188,500
Retained in reserves.....	330,576	453,098
 Total.....	 \$634,525	 \$780,964

The financial condition of the Pennsylvania Farm Bureau Cooperative Association on December 31, 1949 and 1950, is shown in the following condensed financial statement:

	<u>1949</u>	<u>1950</u>
<b>Assets:</b>		
Current assets.....	\$2,512,580	\$2,968,697
Fixed assets (net).....	972,117	1,132,132
Other assets.....	2,697,707	2,796,739
 Total.....	 \$6,182,404	 \$6,897,568
 <b>Liabilities and net worth:</b>		
Current liabilities.....	\$696,603	\$725,637
Other liabilities.....	220,000	160,000
Net worth (capital and reserves).....	5,265,801	6,011,931
 Total.....	 \$6,182,404	 \$6,897,568

On December 31, 1950, the principal operating facilities of the Pennsylvania Farm Bureau Cooperative Association consisted of the following:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Feed mill.....	1	\$276,153	\$190,272
Seed cleaning plant.....	1	150,658	114,264
Wholesale farm supply warehouse....	2	278,120	229,879
Office building.....	1	291,565	242,791
Transport trucks.....	17	89,822	46,315
Dust plant.....	1	16,479	6,925
Hatchery.....	3	155,903	137,101
Poultry breeding farm.....	1	78,458	69,220
 Total.....		\$1,337,158	\$1,036,767

In addition, the association held investments of \$2,630,084 in facilities jointly owned with other cooperatives.

On December 31, 1950, the Pennsylvania Farm Bureau Cooperative Association had 265 employees. Of these, 132 were engaged in general and administrative activities; 99 in manufacturing, warehousing, and processing operations; and 34 in wholesale distribution.

#### FRUIT GROWERS SUPPLY COMPANY

Fruit Growers Supply Company, Los Angeles, Calif., organized in October 1907, is the oldest major farmers' purchasing association. It serves 170 member citrus fruit packing associations with 14,000 farmer-members who are located in the citrus districts of California and Arizona. Although separately incorporated and managed, it is in fact the supply department for California Fruit Growers Exchange members.

The value of supplies distributed by the Fruit Growers Supply Company during 1949 and 1950 was as follows:

<u>Commodity</u>	<u>1949</u>	<u>1950</u>
Box shook, tissue paper wraps, and other packing supplies.....	\$12,560,582	\$15,380,665
Fertilizer.....	2,340,178	1,489,349
Insecticides.....	484,639	439,927
Miscellaneous orchard supplies.....	<u>1,137,358</u>	<u>689,242</u>
Total.....	\$16,522,757	\$17,999,183

The total patronage refunds on these sales amounted to \$1,486,750 in 1949 and \$2,027,014 in 1950. All refunds were distributed in cash.

The ownership of the company by the local fruit-shipping organizations which it serves, is kept in proportion to their use of the company facilities by means of a revolving fund agreement under which shippers purchase, on the basis of current fruit shipments, shares of the capital stock of the company and the same amount of the oldest outstanding stock is called in. Additional capital is now being raised under an agreement which calls for each shipper to purchase additional stock in amount equal to 2 cents for each packed box of fruit shipped by it.

The financial condition of Fruit Growers Supply Company on December 31, 1949 and 1950, is shown in the following condensed financial statement:

	<u>1949</u>	<u>1950</u>
<b>Assets:</b>		
Current assets.....	\$8,583,682	\$9,155,528
Fixed assets (net).....	11,967,931	12,044,520
Other assets.....	<u>567,938</u>	<u>478,937</u>
Total.....	\$21,119,551	\$21,678,985
<b>Liabilities and net worth:</b>		
Current liabilities.....	\$6,666,715	\$6,057,645
Other liabilities.....	7,418,541	7,491,600
Net worth (capital and reserves).....	<u>7,034,295</u>	<u>8,129,740</u>
Total.....	\$21,119,551	\$21,678,985

Fruit Growers Supply Company owns and operates three lumber and box shook manufacturing plants and several thousand acres of timberland.

On December 31, 1950, Fruit Growers Supply Company had 2,077 employees. Of these, 60 were engaged in general and administrative activities and 2,017 in logging and manufacturing operations.

#### FARM BUREAU SERVICES, INC.

Farm Bureau Services, Inc., with headquarters at Lansing, Mich., was organized on October 25, 1929, to provide a cooperative wholesale farm supply service for farmers' cooperatives in Michigan. At the end of its fiscal year on August 31, 1950, this organization provided supply service for some 100,000 patrons through 154 member associations <sup>34/</sup> 30 non-member associations, 12 branch retail outlets, and 180 private dealer outlets. Farmers represented approximately 85 percent of the patrons of these retail outlets.

The value of supplies distributed for the fiscal years ending August 31, 1949 and 1950, was as follows:

<u>Commodity</u>	<u>1949</u>	<u>1950</u>
Feed.....	\$2,817,188	\$3,115,083
Fertilizer.....	2,195,960	2,864,676
Seed.....	1,192,685	1,285,666
Petroleum products <sup>35/</sup> .....)	893,338	-
Tires, tubes, and accessories.....)	996,637	988,159
Steel products.....	101,684	140,106
Lumber, paint, and other maintenance equipment.....	405,933	386,918
Insecticides.....	2,453,450	1,872,290
Machinery, electrical equipment and appliances, and twine.....	151,434	193,200
Total.....	\$11,208,309	\$10,846,098

In addition to the wholesale supply operations, the retail value of supplies distributed directly to individuals through branch retail outlets owned by the association amounted to \$4,840,224 in 1949, and \$5,212,339 in 1950.

<sup>34/</sup> Fifteen of the member associations were managed by Farm Bureau Services, Inc., under the management contracts.

<sup>35/</sup> Beginning January 1, 1949, the distribution of petroleum products was handled through a separate corporation, the Farmers Petroleum Cooperative, Inc. Its volume of business for the 8 months ended August 31, 1949, amounted to \$1,796,552 and net savings were \$23,212. Its volume for the year ending August 31, 1950, was \$3,064,967 and net savings totaled \$79,720.

The value of supplies distributed at wholesale include the value of supplies purchased for branch retail outlets amounting to \$3,189,000 in 1949, and \$3,495,000 in 1950.

While Farm Bureau Services, Inc., is primarily a cooperative purchasing association, the value of farm products marketed during the years ending August 31, 1949 and 1950, was reported as follows:

<u>Commodity</u>	<u>1949</u>	<u>1950</u>
Grain.....	\$1,030,295	\$1,157,464
Beans.....	473,277	788,515
Eggs and poultry.....	131,975	96,781
Fruit.....	10,581	7,076
 Total.....	 \$1,646,128	 \$2,049,836

The total net savings of the organization for the fiscal years 1949 and 1950, were as follows:

<u>Source of net savings</u>	<u>1949</u>	<u>1950</u>
Wholesale supply business (including manufacturing margins).....	\$169,682	\$255,729
Retail supply business.....	10,679	45,328
Farm marketings.....	1,962	7,021
 Total.....	 \$182,323	 \$308,078

These savings were distributed as follows:

<u>Distribution of net savings</u>	<u>1949</u>	<u>1950</u>
Cash dividends on stock.....	\$31,614	\$37,247
Patronage refunds in capital stock.....	147,269	262,855
Addition to reserve fund.....	3,440	7,976
 Total.....	 \$182,323	 \$308,078

The financial condition of Farm Bureau Services, Inc., as of August 31, 1949 and 1950, is shown by the following condensed financial statements:

	<u>1949</u>	<u>1950</u>
<b>Assets:</b>		
Current assets.....	\$3,177,377	\$3,332,612
Fixed assets (net).....	2,134,719	2,124,468
Other assets <sup>36/</sup> .....	712,007	812,040
 Total.....	 \$6,024,103	 \$6,269,120
<b>Liabilities and net worth:</b>		
Current liabilities <sup>37/</sup> .....	\$1,311,239	\$1,429,187
Fixed indebtedness <sup>37/</sup> .....	2,983,060	2,839,690
Net worth (capital and reserves).....	1,729,804	2,000,243
 Total.....	 \$6,024,103	 \$6,269,120
 <sup>36/</sup> Mainly investments in regional cooperatives.		
 <sup>37/</sup> Includes liability on debentures as follows:	<u>1949</u>	<u>1950</u>
4% - 10 year debentures.....	\$1,183,140	\$1,242,950
3% - 15 year debentures.....	609,220	604,840
	 \$1,792,360	 \$1,847,790

The value of the principal operating facilities owned on August 31, 1950, was as follows:

Type of facility	Number of plants or units	Cost value	Depre- ciated value
Wholesale farm supply warehouse <u>38/</u> .	6	\$413,148	\$369,889
Seed cleaning plant.....	1	57,708	35,364
Retail farm supply branches.....	12	524,897	395,440
Wholesale and retail farm equipment branches.....	3	60,320	53,202
General delivery truck and cars.....	41	70,599	23,675
Bulk petroleum plants <u>39/</u> .....	1	8,062	3,589
Office equipment.....		116,940	77,059
Transportation department trucks and trailers, tractor-trailers units..	8	59,453	27,824
Temporary office building.....	2	20,857	9,157
Bulk petroleum plants.....	2	15,391	7,709
Dust mixing plant.....	1	29,635	24,180
Fertilizer manufacturing plant.....	1	1,255,630	1,097,380
<b>Total.....</b>		<b>\$2,632,640</b>	<b>\$2,124,468</b>

In addition, Farm Bureau Services had \$619,034 invested in jointly owned federations of regional cooperatives which operated various manufacturing facilities.

At the end of its fiscal year on August 31, 1950, Farm Bureau Services, Inc., had 366 employees - 54 in general administrative activities, 108 in manufacturing, processing, and wholesale distribution, 161 in retailing and marketing, and 43 in contractual services for the affiliated Michigan Farm Bureau.

#### PACIFIC SUPPLY COOPERATIVE

The Pacific Supply Cooperative, with headquarters at Walla Walla, Wash., was organized December 19, 1933. At the close of its operating year, June 30, 1950, it was serving 130 member associations in Oregon, Washington, Idaho, and northwest Wyoming. Patrons numbered 60,000 and 95 percent were farmers. It also served 50 non-member associations with 15,000 patrons, of whom 60 percent were farmers.

38/ Five of these units are combination wholesale and retail units. Cost and depreciated value have been divided according to use.

39/ Leased to local association managed by Farm Bureau Services, Inc.

Supplies distributed during the fiscal years ending June 30, 1949 and 1950, were as follows:

<u>Commodity</u>	<u>40/ 1949</u>	<u>1950</u>
Fertilizer.....	\$906,218	\$1,185,764
Feed and grain.....	1,293,073	1,000,348
Seed.....	64,986	112,459
Gas, oil, grease, and fuel oil.....	8,935,629	9,807,248
Tires, tubes, and other accessories...	470,646	540,489
Farm machinery and parts.....	860,442	551,693
Lumber, paint, steel products, and other maintenance equipment.....	725,591	722,799
Insecticides and sulphur.....	432,872	433,963
Electrical equipment and appliances...	226,461	144,484
Hardware and twine.....	231,052	218,350
Farm appliances and irrigation supplies.....	419,310	574,707
Miscellaneous supplies and service revenues.....	248,682	229,861
 Total.....	 \$14,814,962	 \$15,522,165

The value of farm products marketed by Pacific Supply Cooperative in 1949 and 1950 was as follows:

<u>Commodity</u>	<u>1949</u>	<u>1950</u>
Seed.....	\$1,562,899	\$1,881,159
Grain.....	605,917	2,121,292
Potatoes.....	510,385	340,065
 Total.....	 \$2,679,201	 \$4,342,516

Total net savings amounted to \$584,814 in 1949 and \$505,979 in 1950.

These net savings were distributed in the following manner:

<u>Distribution of net savings</u>	<u>1949</u>	<u>1950</u>
Patronage refunds in certificates of indebtedness.....	\$540,953	\$493,329
Amount retained in reserves.....	43,861	12,650
 Total.....	 \$584,814	 \$505,979

The association reports that \$101,090 in stock or certificates originally issued as patronage refunds were retired in 1949 under its revolving fund plan. In 1950 the amount retired was \$213,328.

40/ Revised.

The financial condition of the Pacific Supply Cooperative on June 30, 1949 and 1950, is shown in the following condensed financial statement:

	<u>1949</u>	<u>1950</u>
<b>Assets:</b>		
Current assets.....	\$4,314,501	\$4,571,118
Fixed assets (net).....	1,187,052	921,543
Other assets and investments.....	574,641	1,030,642
<b>Total.....</b>	<b>\$6,076,194</b>	<b>\$6,523,303</b>
<b>Liabilities and net worth:</b>		
Current liabilities.....	\$1,439,856	\$1,589,130
Other liabilities.....	112,539	55,769
Net worth (capital and reserves)....	4,523,799	4,878,404
<b>Total.....</b>	<b>\$6,076,194</b>	<b>\$6,523,303</b>

On June 30, 1950, the Pacific Supply Cooperative owned and operated the following principal facilities:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre-ciated value</u>
Wholesale farm supply warehouses....	4	\$194,495	\$139,820
Seed and feed plants.....	6	550,856	371,935
Chemical and fertilizer plants.....	3	251,900	196,448
Transport trucks.....	13	286,595	126,218
Office.....	1	92,567	51,445
<b>Total.....</b>		<b>\$1,376,413</b>	<b>\$885,866</b>

In addition, the association held investments of \$354,006 in facilities owned jointly with other cooperative associations.

On June 30, 1950, the Pacific Supply Cooperative had 238 employees. Of these, 86 were engaged in general administrative activities; 148 in manufacturing, warehousing, and processing operations; and 4 in marketing farm products.

#### CENTRAL CO-OPERATIVE WHOLESALE

The Central Co-operative Wholesale - C.C.W. - with headquarters at Superior, Wis., was organized on September 16, 1917. At the close of its operating year on December 31, 1950, it was serving 202 member and 55 non-member cooperatives in northern parts of Michigan, Wisconsin, Minnesota, and in eastern North Dakota. These cooperative outlets served approximately 100,000 patrons, 75 percent of whom were farmers.

The value of supplies distributed during 1949 and 1950 was as follows:

<u>Commodity</u>	<u>1949</u>	<u>1950</u>
Feed, fertilizer, and seeds.....	\$2,357,915	\$2,745,328
Petroleum products.....	1,405,642	1,590,006
Tires, tubes, and other accessories.....	218,917	307,449
Steel products.....	137,892	181,298
Lumber, paints, and other maintenance equipment.....	430,998	357,878
Insecticides.....	20,239	52,282
Electrical equipment and appliances.....	367,125	403,915
Farm machinery.....	621,516	251,877
Hardware.....	226,741	229,184
Twine.....	23,823	30,756
Coal.....	133,822	125,782
Groceries.....	2,849,241	2,733,673
Fresh fruits and vegetables.....	338,936	318,863
Bakery products.....	340,960	319,070
Coffee.....	366,129	426,928
Clothing.....	535,491	642,295
 Total.....	 \$10,375,387	 \$10,716,584

The total net savings, before income taxes, on manufacturing and wholesale purchasing operations amounted to \$36,653 in 1949, and \$199,929 in 1950. These savings were distributed as follows:

<u>Distribution of net savings</u>	<u>1949</u>	<u>1950</u>
Unallocated surplus.....	-	\$2,275
Patronage refunds paid in capital stock shares.....	-	151,954
Interest on capital stock.....	\$30,000	32,000
Provision for Federal income tax.....	6,653	13,700
 Total.....	 \$36,653	 \$199,929

The financial condition of C.C.W. on December 31, 1949 and 1950, is shown in the following statement:

	<u>1949</u>	<u>1950</u>
<b>Assets:</b>		
Current assets.....	\$2,075,624	\$2,067,745
Fixed assets (net).....	539,828	522,402
Other assets.....	1,140,782	1,217,253
 Total.....	 \$3,756,234	 \$3,807,400
 <b>Liabilities and net worth:</b>		
Current liabilities.....	\$902,049	\$734,226
Long-term notes.....	363,320	388,720
Net worth (capital and reserves).....	2,490,865	2,684,454
 Total.....	 \$3,756,234	 \$3,807,400

On December 31, 1950, the principal operating facilities owned and operated by the C.C.M. consisted of the following:

<u>Type of facility</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Land.....	\$33,280	\$33,280
Warehouse and offices (buildings and equipment).....	423,211	306,485
Bakery (building and equipment).....	72,975	26,731
Coffee roasting plant (equipment).....	12,461	907
Feed mill (building and equipment)....	151,832	79,720
Garage and delivery equipment.....	163,548	58,870
Oil plant building.....	6,510	3,315
Publishing building.....	23,505	11,758
Other.....	3,340	1,336
 Total.....	 \$890,662	 \$522,402

In addition to these facilities, C.C.W. had \$1,180,262 invested in jointly-owned federations of regionals which operated various manufacturing facilities.

On December 31, 1950, the C.C.W. had 218 employees. Of these, 108 were engaged in general and administrative activities, and 100 in manufacturing, warehousing, and processing operations.

#### CONSUMERS COOPERATIVES ASSOCIATED

Consumers Cooperatives Associated, with headquarters at Amarillo, Tex., was organized in 1930. On October 31, 1950, it was serving 336 associations with approximately 150,000 patrons, 91 percent of whom were farmers. The association operates in Texas, New Mexico, Arkansas, Louisiana, Mississippi, the southeastern part of Colorado, and the southeastern and southern parts of Oklahoma.

The subsidiaries of Consumers Cooperatives Associated are the Consumers Cooperative Refinery Association which operates a refinery at Levelland, Tex., and the Cooperative Producing Association of New Mexico which engages in the production of crude oil in the vicinity of Cap Rock, N. Mex.

Supplies distributed by the association and its subsidiaries during its last two fiscal years ended on October 31 were as follows:

<u>Commodity</u>	<u>41/ 1949</u>	<u>1950</u>
Lights fuels.....	\$5,888,271	\$5,522,936
Lubricating oils.....	210,601	246,443
Anti-freeze.....	25,223	25,670
Grease.....	40,131	35,829
Tires and tubes.....	392,371	395,186
Batteries.....	57,048	49,982
Auto accessories.....	55,390	49,395
Appliances.....	196,904	119,716
Hardware and building supplies.....	273,274	315,712
Farm machinery.....	744,031	211,932
Feed.....	200,000	( 326,878
Seed.....	324,735	( 661
Insecticides.....	145,360	{ 1,803,425
Fertilizer.....	1,793,004	{ 1,803,425
Groceries and miscellaneous .....	19,405	12,755
 Total.....	 \$10,365,748	 \$9,115,859

Grain marketed by the association totaled \$312,085 in 1949, and \$193,294 in 1950.

Net savings or loss of Consumers Cooperatives Associated for the fiscal years ending October 31, 1949 and 1950, were derived as follows:

<u>Source of net savings or loss</u>	<u>1949</u>	<u>1950</u>
Manufacturing and wholesale purchasing operations.....	42/	-\$65,962
Marketing operations.....	42/	-661
Other operations.....	42/	-42,588
 Total.....	 -\$349,320	 -\$109,211

The total net loss on operations amounted to \$349,320 in 1949, and \$109,211 in 1950. These were distributed in the following manner:

<u>Distribution</u>	<u>1949</u>	<u>1950</u>
Cash dividends on stock.....	\$15,904	-
Retained in reserves.....	-421,645	-\$109,211
Patronage refunds paid in capital stock and equities.....	56,421	-
 Total.....	 -\$349,320	 -\$109,211

41/ Revised.

42/ Not reported.

The financial condition of Consumers Cooperatives Associated and its subsidiaries as of October 31, 1949 and 1950, is shown by the following consolidated financial statement:

	<u>1949</u>	<u>1950</u>
<b>Assets:</b>		
Current assets.....	\$2,484,007	\$2,482,242
Fixed assets (net).....	1,625,203	1,427,074
Other assets.....	619,764	535,145
<b>Total.....</b>	<b>\$4,728,974</b>	<b>\$4,444,461</b>
<b>Liabilities and net worth:</b>		
Current liabilities.....	\$2,086,344	\$1,393,874
Other liabilities.....	464,987	950,720
Net worth.....	2,177,643	2,099,867
<b>Total.....</b>	<b>\$4,728,974</b>	<b>\$4,444,461</b>

On October 31, 1950, the principal operating facilities of the association and its subsidiaries were as follows:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Branch warehouses.....	5	\$132,193	<u>43/</u>
Grain drying plant.....	1	79,216	<u>43/</u>
Feed mill.....	1	1,086,918	\$729,884
Petroleum refinery.....	1	1,210,266	546,489
Crude oil producing properties.....			
Refined fuels terminal.....	1	38,500	<u>43/</u>
Fertilizer plant.....	1	300,297	<u>43/</u>
Transports.....	1	175,000	424,195
<b>Total.....</b>		<b>\$3,022,390</b>	<b>\$1,700,568</b>

Branch warehouses of the association are located at Abilene, Dallas, Elroy, and Levelland, Tex.; and Little Rock, Ark. A grain-drying plant and a feed mill are operated in connection with the Elroy warehouse. The refined fuels terminal is at Dumas, Tex. The association's Red Star Fertilizer Plant is at Sulphur Springs, Tex. CCA's subsidiaries have a refinery at Levelland, Tex., and crude oil properties near Cap Rock, N. Mex.

In addition, CCA had \$111,700 invested in jointly owned federations of regional cooperatives which operated various manufacturing and wholesaling facilities.

43/ Depreciation not specifically applied.

On October 31, 1950, the association had 120 employees. 44/ Of these, 33 were engaged in general administrative activities; 79 in manufacturing, warehousing, and processing operations; and 8 in marketing farm products.

#### ARKANSAS FARMERS ASSOCIATION

The Arkansas Farmers Association, formerly the Arkansas Farm Bureau Cooperative, with headquarters at Little Rock, Ark., was organized in 1945. The association, either through 45 member local associations, 6 branches of local associations, 9 non-member service companies, 305 Farm Bureau purchasing committees or dealer agents, serves approximately 50,000 farmers.

The value of supplies distributed at wholesale during 1949 and 1950 was as follows:

<u>Commodity</u>	<u>1949</u>	<u>1950</u>
Feed.....	\$2,565,784	\$4,271,154
Seed.....	132,559	292,546
Farm supplies.....	198,452	343,961
Fertilizer.....	307,804	1,942,300
Baby chicks.....	235,653	378,815
 Total.....	 \$3,440,252	 \$7,228,776

The distribution of net savings was reported as follows:

<u>Distribution of net savings</u>	<u>1949</u>	<u>1950</u>
Dividends on preferred stock.....	\$2,483	\$1,234
Bad debts charged to patrons' equity..	1,862	-
Educational fund (newspaper).....	7,510	3,106
Patrons' certificates of equity.....	110,747	43,739
Amount retained in reserves.....	13,000	<u>45/83,064</u>
 Total.....	 \$135,602	 \$131,143

44/ Employees of subsidiaries not included.

45/ Includes \$69,064 of undistributed net savings. Savings in the form of deferred patronage credit from other cooperatives also amounted to \$69,667 in 1949 and \$168,435.99 in 1950.

The financial condition of the Arkansas Farmers Association on December 31, 1949 and 1950, is shown in the following condensed financial statement:

	<u>1949</u>	<u>1950</u>
<b>Assets:</b>		
Current assets.....	\$234,226	\$412,363
Fixed assets (net).....	47,946	103,899
Other assets.....	121,803	301,076
Investments.....	35,800	39,800
 Total.....	 \$439,775	 \$857,138
 <b>Liabilities and net worth:</b>		
Current liabilities.....	\$183,408	\$261,209
Other liabilities.....	23,595	37,684
Net worth (capital and reserves).....	232,772	558,245
 Total.....	 \$439,775	 \$857,138

Facilities owned and operated at the close of 1950 included:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depricated value</u>
Wholesale farm supply warehouse 46/	1	\$37,236	\$37,236
Hatcheries.....	4	52,259	43,771
Auto and trucks.....		12,230	7,310
Leasehold improvements.....		1,205	172
Furniture and fixtures.....		13,014	10,794
Construction in process (new office).....		4,616	4,616
 Total.....		 \$120,560	 \$103,899

In addition, the Arkansas Farmers Association is the sole sales agent for the Arkansas Farmers Plant Food Company. This latter firm has a fertilizer plant costing approximately \$600,000 which is located in North Little Rock.

On December 31, 1950, the Arkansas Farmers Association had 55 employees, of whom 9 were classed as administrative, 10 as supervisory, 32 as clerical, and 4 as laborers.

46/ Construction completed in December.

## FARMERS UNION STATE EXCHANGE

The Farmers Union State Exchange, with headquarters at Omaha, Nebr., was organized in 1914. On September 30, 1950, it was serving 345 member associations with 65,000 patrons, of whom 98 percent were farmers. Through 20 private dealers it reached an additional 3,500 patrons, of whom 90 percent were farmers. The association also owned and operated 6 retail farm supply stores and 3 retail bulk petroleum plants which serve 1,900 patrons, 98 percent of whom were farmers. The Exchange operates in the State of Nebraska.

Supplies distributed at wholesale during fiscal years ended on September 30, 1949 and 1950, were as follows:

<u>Commodity</u>	<u>47/ 1949</u>	<u>1950</u>
Feed.....	\$135,422	\$131,502
Seed.....	75,011	78,367
Gas, oil, and grease.....	2,625,396	3,186,668
Tires, tubes, and other accessories...	116,712	195,251
Farm machinery and hardware.....	) 1,168,101	734,670
Farm equipment and fencing.....	)	303,802
Paint.....	34,628	47,437
Twine.....	63,794	46,930
Coal.....	66,371	101,897
Groceries.....	226,611	304,885
Clothing.....	52,020	42,787
Produce.....	43,058	-
Roofing.....	28,873	98,823
Miscellaneous.....	3,253	4,196
 Total.....	 \$4,638,890	 \$5,277,215

The Farmers Union State Exchange also had retail sales of \$1,346,549 in 1949 and \$1,488,892 in 1950.

Net savings were distributed in the following manner:

<u>Distribution of net savings</u>	<u>1949</u>	<u>1950</u>
Cash dividends on stock.....	\$20,691	\$21,807
Cash patronage refunds.....	20,669	-
Patronage refunds paid in capital stock.....	39,100	-
Patronage refunds allocated.....	227,174	130,814
Amount credited to surplus reserve fund.....	34,181	16,957
 Total.....	 \$341,815	 \$169,578

47/ Nine months because business year was changed from calendar year to fiscal year ending September 30.

The financial condition of the Farmers Union State Exchange on September 30, 1949 and 1950, is shown in the following condensed statement:

	<u>1949</u>	<u>1950</u>
<b>Assets:</b>		
Current assets.....	\$1,400,789	\$1,511,387
Fixed assets (net).....	374,574	351,138
Other assets.....	1,237,816	1,264,753
<b>Total.....</b>	<b>\$3,013,179</b>	<b>\$3,127,278</b>
<b>Liabilities and net worth:</b>		
Current liabilities.....	\$779,368	\$723,143
Other liabilities.....	320,217	477,725
Net worth (capital and reserves).....	1,913,594	1,926,410
<b>Total.....</b>	<b>\$3,013,179</b>	<b>\$3,127,278</b>

On September 30, 1950, the principal operating facilities of the association were as follows:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Retail farm supply stores.....	3	\$95,203	\$70,036
Bulk petroleum plants.....	2	7,612	1,744
Office building and warehouse.....	1	157,963	80,884
Lubricating oil compounding plant..	1	180,000	136,667
Transport trucks.....	4	46,069	27,736
General delivery trucks.....	4	12,740	357
Locker plant.....	1	9,309	3,348
Other - truck garages.....	2	9,590	1,593
<b>Total.....</b>		<b>\$518,486</b>	<b>\$322,365</b>

In addition to these facilities, Farmers Union State Exchange had \$1,259,266 invested in jointly-owned federations of regionals which operated various manufacturing and wholesaling facilities.

At the close of 1950, the Exchange had 191 employees.

## TENNESSEE FARMERS COOPERATIVE

The Tennessee Farmers Cooperative was organized September 27, 1945, with headquarters in Nashville, Tenn. At the end of the operating year, December 31, 1950, it was serving 78 county cooperatives in Tennessee, of whom 68 were members. These associations served about 70,000 farmers.

The value of supplies distributed by the Tennessee Farmers Cooperative during the fiscal years ending December 31, 1949 and 1950, were as follows:

<u>Commodity</u>	<u>1949</u>	<u>1950</u>
Fertilizer.....	\$1,504,939	\$2,389,801
Feed.....	832,661	1,438,681
Seed.....	548,032	871,624
Building supplies.....	200,781	491,819
Petroleum.....	57,389	207,762
Other.....	62,522	112,085
 Total.....	 \$3,206,324	 \$5,511,772

The total net savings on all operations amounted to \$50,882 in 1949, and \$111,739 in 1950. Savings were distributed in the following manner:

<u>Distribution of net savings</u>	<u>1949</u>	<u>1950</u>
Interest on stock.....	\$5,757	\$10,819
Patronage refunds in cash.....	7,979	16,971
Reserve.....	37,146	83,949
 Total.....	 \$50,882	 \$111,739

The financial condition of Tennessee Farmers Cooperative on December 31, 1949 and 1950, is shown in the following condensed financial statement:

	<u>1949</u>	<u>1950</u>
<b>Assets:</b>		
Current assets.....	\$262,278	\$488,706
Fixed assets.....	35,661	266,242
Other assets.....	64,131	113,920
 Total.....	 \$362,070	 \$868,868
 <b>Liabilities and net worth:</b>		
Current liabilities.....	\$173,727	\$405,734
Other liabilities.....	-	290
Net worth (capital and reserves)....	188,343	462,844
 Total.....	 \$362,070	 \$868,868

On December 31, 1950, the association reported that 68 percent of its net worth was represented by sale of stock and the remaining 32 percent had been accumulated through retained allocated reserves.

The type and value of principal operating facilities owned by the Tennessee Farmers Cooperative on December 31, 1950, were as follows:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre-ciated value</u>
Fertilizer plant.....	1	\$176,408	\$176,408
Warehouses.....	2	49,579	48,785
Trucks.....	2	9,291	4,887
<b>Total.....</b>		<b>\$235,278</b>	<b>\$230,080</b>

As of December 31, 1950, Tennessee Farmers Cooperative had 48 employees - 20 in the fertilizer plant and warehouses; 8 field service and auditing; and 20 administrative and clerical.

## PART II

### SUMMARY INFORMATION FOR 20 MAJOR REGIONAL FARM SUPPLY PURCHASING COOPERATIVES FOR FISCAL YEARS ENDING IN 1949 AND 1950

In this section the information for the individual associations is summarized to show the characteristics of operations. Attention is given to age of associations, area of service, type of retail outlets, number of patrons served, number of employees, dollar volume of business, type of supplies handled, distribution of savings, and financial condition.

#### YEARS OF ORGANIZATION

The 20 regional cooperatives described in this report were organized in the following years:

<u>Year</u>	<u>Associations organized Number</u>
1907.....	1
1914.....	1
1917.....	1
1918.....	1
1920.....	1
1923.....	2
1926.....	1
1927.....	2
1929.....	2
1930.....	1
1931.....	1
1933.....	2
1934.....	2
1945.....	2

Only 5 of these associations were in existence by 1920. By 1930 there were 13. Five were established early in the 1930's and 2 in 1945. In 1950, their average age was 22 years.

#### AREA OF SERVICE

The 20 regional supply associations operate throughout the United States except for a large part of the South. Several regional purchasing associations serve the South and Southwest, but with the exception of Southern States Cooperative, Inc., which operates in Virginia as well as several nearby States, only four - Farmers Cooperative Exchange, Raleigh, N.C., Tennessee Farmers Cooperative, Nashville, Tenn., Arkansas Farmers Association, Little Rock, Ark., and the Consumers Cooperatives Associated, Amarillo, Tex. - each did a wholesale supply business in 1950 in excess of \$5 million. <sup>48/</sup> There are a number of other regional purchasing associations operating in the area served by the 20 large regional purchasing associations included in this report.

#### TYPE OF RETAIL OUTLET

The 20 major regional farm supply purchasing cooperatives distributed supplies through 9,162 retail outlets in 1949, and 8,670 in 1950. These were classified as follows:

Type of retail outlet	1949	1950
Local cooperative member associations.....	4,602	4,587
Local cooperative non-member associations...	1,442	1,064
Affiliated cooperative service associations.	744	751
Private service agencies.....	1,590	1,589
Farmer-representatives.....	784	679
 Total.....	 9,162	 8,670

The local associations included in this classification are autonomous organizations. The "member associations" hold membership interests in the regional associations while the "non-member associations" are served by the regional cooperatives. "Affiliated cooperative service associations" are associations or branch outlets that are under direct management of regionals. "Private service agencies" are private concerns that perform a distributing service for the regional cooperatives in accordance with mutually agreeable policies. These plans include provisions for passing on to farmers the patronage refunds distributed by the regional. Similarly, the "farmer-representatives" are farmers who serve as distribution agents for the regionals. The association reports in Part I give more detailed information on the character of local service outlets.

<sup>48/</sup> The two next largest regional farm supply purchasing cooperatives in this area are the Mississippi Federated Cooperatives, Jackson, Miss., and the Southwest Cooperative Wholesale, Phoenix, Ariz. Both of these regionals also perform cooperative marketing service.

#### NUMBER OF PATRONS SERVED

The 20 regional associations, through local outlets at the end of their 1950 fiscal year, were serving an estimated 2,741,336 farmer-patrons and 215,546 non-farmer patrons, or a total of 2,956,882 patrons. 49/ Thus 93 percent of the patrons were farmers, and 7 percent were non-farmers.

#### NUMBER OF EMPLOYEES

The 20 regionals included in this report at the end of their 1950 fiscal years employed 16,536 persons. Of these, an estimated 20 percent were engaged in general administration; 57 percent in manufacturing, processing, and wholesale distribution; and 23 percent in retail supply distribution and in agricultural marketing work.

#### DOLLAR VOLUME OF BUSINESS

The combined business of the 20 regional cooperatives, including the value of supplies distributed at wholesale and at retail plus the value of farm products marketed, amounted to \$939,255,628 for their fiscal years ending in 1950. The comparable volume for the similar periods ending in 1949 was \$853,163,293.

Sixteen associations each handled a volume of \$10 million or more, and of these 10 each handled \$29 million or more. The combined purchasing and marketing operations of the 10 associations amounted to \$803 million. The importance of the Cooperative Grange League Federation, Inc., in volume handled, is shown in table 1.

#### TYPES OF SUPPLIES HANDLED

The relative importance of the various supplies handled at wholesale 50/ by each of the 20 regional associations during the fiscal year ending in 1950 is shown in tables 2 and 3. Feed predominated in the dollar volume of 9 associations and petroleum products accounted for the largest part of the volume of 8 other associations.

In terms of dollar volume, groceries were the most important commodity distributed by the Central Co-operative Wholesale. Packaging material represented the bulk of the dollar volume of the Fruit Growers Supply Company and fertilizer in the volume of Tennessee Farmers Cooperative.

Data in table 4 show the relative importance of the total value of the various supplies distributed at wholesale by the 20 associations during the fiscal years ending in 1949 and 1950. The total dollar volume distributed in 1950 showed an increase of 6.8 percent over that in 1949.

49/ On the basis of other studies made by the Cooperative Research and Service Division, it is believed that this total considerably overstates the number of actual patrons.

50/ Eastern States distributes supplies direct to individual patrons and performs both wholesale and retail functions.

Table 1. - Dollar volume of farm supplies distributed and farm products marketed by 20 major farm supply purchasing cooperatives, fiscal years ending in 1949 and 1950

Association	Year ended	Supplies distributed at wholesale		Supplies distributed at retail		Farm products marketed		Total
		1949	1950	1949	1950	1949	1950	
Cooperative Grange League Federation Exchange, Inc. ....	June 30	\$124,405,492	\$126,703,598	\$102,727,662	\$104,371,725	\$19,523,455	\$14,403,867	\$246,726,609
Eastern States Cooperative, Inc. ....	June 30	75,956,150	76,960,802	32,315,468	32,592,836	12,261,060	4,918,242	120,532,678
Indiana Farm Bureau Cooperative Association, Inc. b/.....	Dec. 31	35,520,000	42,366,879	-	-	3,326,207	60,126,191	38,916,207
Eastern States Farmers Exchange, Inc. c/.....	Dec. 31	78,325,434	79,961,827	-	-	-	-	102,513,070
Consumers Cooperative Association.....	Aug. 31	55,992,131	62,428,460	-	-	-	-	79,261,827
The Farm Bureau Cooperative Association, Inc. d/.....	Dec. 31	23,574,181	25,520,388	-	-	21,180,120	16,423,550	62,428,460
Illinois Farm Supply Company (Ohio).....	Aug. 31	44,905,284	47,506,737	-	-	-	-	51,923,928
Farmers Union Central Exchange, Inc. ....	Dec. 31	34,989,609	38,773,985	13,382,449	11,755,130	1,984,696	2,132,523	34,989,609
Farmers Cooperative Exchange, Inc. ....	June 30	14,000,278	16,732,309	-	-	-	-	38,773,985
Midland Cooperative Wholesale.....	Dec. 31	27,114,613	29,400,996	-	-	-	-	30,639,462
H.P.A. Milling Company.....	June 30	10,362,94	21,329,125	-	-	-	-	29,400,996
Pacific Supply Cooperative.....	June 30	14,814,962	19,522,165	-	-	2,679,201	4,342,516	29,239,535
Pennsylvania Farm Bureau Cooperative Association.....	Aug. 31	18,004,179	19,224,743	4,810,224	5,212,399	1,616,128	2,019,836	18,004,179
Farm Bureau Services, Inc. ....	Dec. 31	11,268,309	16,816,098	-	-	-	-	18,224,743
Fruit Growers Supply Company.....	Dec. 31	16,522,757	17,999,183	-	-	-	-	17,641,661
Central Cooperative Wholesale.....	Dec. 31	10,375,287	10,716,584	-	-	-	-	16,522,557
Consumers Cooperatives Associated.....	Oct. 31	10,365,748	9,115,859	-	-	-	-	10,375,287
Arkansas Farmers Association.....	Dec. 31	3,440,252	7,228,776	-	-	-	-	10,375,287
Farmers Union State Exchange.....	Sent. 30	d/ 4,638,890	5,277,215	1,316,569	1,488,892	-	-	10,375,287
Tennessee Farmers Cooperative.....	Dec. 31	3,206,324	5,511,772	-	-	-	-	10,375,287
Total.....		\$635,960,074	\$679,357,811	\$154,612,352	\$155,420,992	\$62,590,867	\$104,476,825	\$853,153,293
								\$939,255,628

b/ Revised.

c/ On January 1, 1950, the Indiana Grain Cooperative merged with the Indiana Farm Bureau Cooperative Associations, Inc.

d/ Eastern States Farmers Exchange, Inc., distributing supplies direct to individual patrons performing both wholesale and retail functions.

e/ Business for 9 months, Jan.-Sept. 1949. Operating year changed from calendar year to fiscal year ending Sept. 30.

Table 2. - Dollar volume of farm supplies distributed at wholesale by 20 major regional farm supply purchasing cooperatives, fiscal years ending 1949 and 1950

Association	Feed	Petroleum products	Fertilizer	Seed	Farm machinery and farm equipment	Lumber, paint, hardware, maintenance material	Crates, hardware, shocks, steel packaging material	Tires, auto-accessories	Insecticides and sprays	Electrical equipment and appliances	Groceries	Coal	Twine	Miscellaneous	Total
1,000 dollars															
Cooperative Orange League	85,404	11,035	11,710	5,635	2,093	2,013	690	2,491	1,263	2,034	1,101	-	-	717	652
Eastern States Farmers Exchange, Inc. <sup>a</sup>	68,646	-	4,637	3,864	-	2/1,833	-	-	982	-	-	-	-	-	a/126,838
Southern States Farmers Cooperative, Inc. <sup>b</sup>	16,655	4,294	12,814	5,230	1,504	698	-	2,790	655	1,004	1,198	-	-	-	79,962
Consumers Cooperative Association, Inc. <sup>c</sup>	5,713	43,450	2,510	55	1,306	2,564	-	569	2,059	617	629	1,379	68	201	1,268
Illinois Farm Supply Company <sup>d</sup>	10,602	24,339	4,858	-	581	647	-	676	1,081	582	d/	-	-	108	4,153
Indiana Farm Bureau Cooperative Association, Inc. <sup>e</sup>	8,007	15,136	4,896	1,561	3,585	2,648	-	2,554	386	236	746	-	1,352	77	1,203
Farmers Union Central Exchange, Inc. <sup>f</sup>	2,136	25,510	1,073	714	2,155	1,905	-	3,216	301	583	-	-	-	261	920
The Farm Bureau Cooperative Association (Ohio)	11,456	10,741	4,283	1,779	2,494	1,266	-	1,361	267	362	356	-	-	-	38,774
Midland Cooperative Wholesale <sup>g</sup>	2,679	18,074	1,768	1,309	1,101	601	-	507	1,587	22	755	£/335	474	-	971
W.P.A. Milling Company <sup>h</sup>	20,359	-	-	820	-	20	-	140	-	-	-	-	-	-	29,461
Pennsylvania Farm Bureau Cooperative Association <sup>i</sup>	7,293	5,749	1,816	969	1,232	156	-	750	271	314	347	-	-	-	21,339
Fruit Growers Supply Company <sup>j</sup>	-	-	1,489	-	-	-	15,381	-	440	-	-	-	-	-	197
Farmers Cooperative Exchange, Inc. <sup>k</sup>	5,987	-	2,694	3,181	1,126	8/1,751	8/1,941	-	57	521	735	-	-	-	689
Pacific Supply Cooperative Farm Bureau Services, Inc. <sup>l</sup>	1,000	9,807	1,886	113	1,126	8/1,751	8/1,941	-	541	434	144	-	-	-	670
Central Cooperative Wholesale Association <sup>m</sup>	3,115	-	2,865	1,286	1/1,872	140	-	988	181	387	1/404	3,799	193	1/	10,846
Consumers Cooperative Association <sup>n</sup>	12,745	1,590	2/	1/	1/2,747	587	-	-	308	52	-	3,799	126	31	642
Tennessee Farmers Cooperative <sup>o</sup>	5,831	1/1,803	k/	1,942	293	212	316	-	494	1/	120	m/	-	-	13
Farmers Union State Exchange <sup>p</sup>	1,439	2,390	208	-	871	1/4,036	146	-	-	-	-	305	102	47	723
Total.....	297,966	118,951	64,734	27,758	21,657	18,724	16,071	13,007	12,120	8,358	7,118	5,818	2,709	1,583	12,638
679,492															

<sup>a</sup> Includes \$134,000 of interdivisional business.  
<sup>b</sup> Eastern States Cooperative, Inc. distributes supplies direct to individual patrons - performing both wholesale and retail functions.

<sup>c</sup> Includes some miscellaneous commodities.  
<sup>d</sup> Less than one thousand dollars.

<sup>e</sup> Includes \$67,000 intercompany transactions.

<sup>f</sup> Includes some dry goods.

<sup>g</sup> Steel included in lumber, paint, hardware, etc.

<sup>h</sup> Twine included in lumber, paint, hardware, etc.

<sup>i</sup> Electrical equipment and twine included in farm machinery and farm equipment.

<sup>j</sup> Fertilizer and seed included in feed.

<sup>k</sup> Seed included in feed.

<sup>l</sup> Insecticide included in fertilizer.

<sup>m</sup> Groceries included in machinery.

<sup>n</sup> Hardware included in machinery.

Table 3. - Percentage of total dollar volume represented by wholesale supply items distributed by 18 major regional farm supply purchasing cooperatives, fiscal year ending in 1950

Association	Feed	Petroleum products	Fertilizer	Seed	Parm. machinery and farm equipment	Lumber, paint, hardware, maintenance material	Crates, baskets, shocks, packaging material	Steel products	Tires, tubes, auto accessories	Insecticides and sprays	Electrical equipment and appliances	Groceries	Coal	Twine	Miscellaneous	Total	
Cooperative Orange League																	
Eastern States Farmers Exchange, Inc. <sup>b</sup>	67.3	8.7	9.2	4.4	1.7	1.6	0.5	2.0	1.0	1.6	0.9	-	-	0.6	0.5	<sup>b</sup> /100.0	
Southern States Farmers Cooperative, Inc.	85.9	-	5.8	4.8	-	9/2.3	-	-	1.2	-	-	-	-	-	-	100.0	
Consumers Cooperative Association	60.6	5.6	16.6	6.8	2.0	0.9	-	3.6	0.9	1.3	1.6	-	-	-	.1	100.0	
Illinois Farm Supply Company	22.3	51.2	10.2	4.0	0.1	2.1	4.1	-	0.9	3.4	1.0	2.2	0.1	.3	2.0	100.0	
Indiana Farm Bureau Cooperative Association, Inc.	18.9	35.7	11.6	3.7	8.5	6.2	-	6.0	.9	0.5	1.8	-	-	.2	8.7	100.0	
Farmers Union Central Exchange, Inc.	5.5	65.8	2.8	1.8	5.5	4.9	-	-	8.3	.8	1.5	-	-	.3	2.8	100.0	
The Farm Bureau Cooperative Association (Ohio)	32.2	12.1	5.0	7.0	3.6	3.8	.8	1.0	1.0	1.0	1.0	-	-	.7	2.4	100.0	
Midland Cooperative Wholesale M.F.A. Milling Company	9.1	61.4	6.0	4.4	3.7	2.0	-	1.7	5.4	1.1	2.6	9/1.1	1.1	-	2.2	<sup>a</sup> /100.0	
Pennsylvania Farm Bureau Cooperative Association	95.4	-	-	3.8	-	.1	-	.7	-	-	-	-	-	-	.9	100.0	
Fruit Growers Supply Company	37.9	29.9	9.5	5.1	6.4	.8	-	85.5	3.9	1.4	1.6	1.8	-	-	.7	1.0	100.0
Farmers Cooperative Exchange, Inc.	35.7	-	16.1	19.0	6.7	1/10.4	-	1/6.1	-	2.4	-	-	-	-	.7	2.8	100.0
Pacific Supply Cooperative Farm Bureau Services, Inc.	6.4	63.2	7.6	.7	7.3	-	-	-	5.5	4.4	3.3	4.4	-	-	4.0	100.0	
Central Cooperative Wholesale Consumers Cooperatives Associated., Inc.	28.7	14.8	26.4	1/	11.8	1/17.3	1.3	-	9.1	2.9	3.6	35.4	1.8	1/	1.5	100.0	
Tennessee Farmers Cooperative Farmers Union State Exchange, Inc.	1/25.6	1/3.6	59.1	64.0	1/19.8	1/26.9	2.3	3.5	-	5.4	1/	1.3	1/	-	.1	100.0	
Total	42.4	26.3	9.5	4.1	3.2	2.8	2.4	1.9	1.8	1.2	1.0	.9	.4	.2	1.9	100.0	

<sup>a</sup> Includes a small amount of interdivisional business.  
<sup>b</sup> Eastern States Cooperative, Inc., distributes supplies direct to individual patrons - performing both wholesale and retail functions.

<sup>1/</sup> Includes some miscellaneous commodities.

<sup>2/</sup> Less than 1/10th of one percent.

<sup>3/</sup> Includes some dry goods.

<sup>4/</sup> Steel included in lumber, paint, hardware, etc.

<sup>5/</sup> Twine included in lumber, paint, hardware, etc.

<sup>6/</sup> Electrical equipment and twine included in farm machinery and farm equipment.

<sup>7/</sup> Fertilizer and seed included in feed.

<sup>8/</sup> Insecticides included in fertilizer.

<sup>9/</sup> Oiocerics included in machinery.

<sup>10/</sup> Hardware included in machinery.

Table 4.- Dollar volume of supplies distributed at wholesale by 20 major regional farm supply purchasing cooperatives for fiscal years ending in 1949 and 1950

Commodity	1949		1950		Increase or decrease
	Volume	Percentage of total	Volume	Percentage of total	
	1,000 dollars	Percent	1,000 dollars	Percent	Percent
Feed.....	274,147	43.1	287,966	42.4	+5.0
Petroleum products.....	166,181	26.1	178,951	26.3	+7.7
Fertilizer.....	58,918	9.3	64,734	9.5	+9.9
Seed.....	24,651	3.9	27,758	4.1	+12.6
Farm machinery and farm equipment.....	25,771	4.1	21,637	3.2	-16.0
Lumber, paint, hardware, and maintenance material.	17,865	2.8	18,724	2.8	+4.8
Crates, baskets, shooks, and packaging material...	13,186	2.1	16,071	2.4	+21.9
Steel products.....	11,789	1.9	13,007	1.9	+10.3
Tires, tubes, and auto accessories.....	9,619	1.5	12,420	1.8	+29.1
Insecticides and sprays....	8,016	1.2	8,358	1.2	+4.3
Electrical equipment and appliances.....	5,301	0.8	7,118	1.0	+34.3
Groceries.....	6,027	0.9	5,818	0.9	-3.5
Coal.....	1,615	0.2	2,709	0.4	+67.7
Twine.....	1,224	0.2	1,583	0.2	+29.3
Miscellaneous.....	11,890	1.9	12,638	1.9	+6.3
Total.....	a/ 636,200	100.0	b/ 679,492	100.0	+6.8

a/ Includes \$240,000 of intercompany transactions.

b/ Includes \$197,000 of intercompany transactions.

Feed, petroleum products, and fertilizer made up 78 percent of the total dollar volume of supplies distributed at wholesale in 1950. The value of feed distributed showed an increase of 5 percent over last year. Petroleum products increased 7.7 percent in dollar volume and fertilizer increased 9.9 percent. All but two of the 14 commodities listed showed an increase in dollar volume. Farm machinery and farm equipment decreased 16 percent and groceries decreased 3.5 percent.

#### DISTRIBUTION OF SAVINGS

The amount and distribution of the combined net savings of the 20 associations for the fiscal years ending in 1949 and 1950 are shown in table 5. The total savings increased from \$19,819,360 in 1949 to \$28,810,648 in 1950 or 45 percent. Savings returned to patrons as cash patronage refunds increased 37 percent. Savings returned as patronage refunds in the form of capital stock, certificates of equity, or other equity holdings increased 45 percent. Cash dividends applied on stock increased 8 percent, and the amount of savings retained in reserves increased 97 percent.

Table 5. - Distribution of combined net savings of 20 major regional farm supply purchasing cooperatives for fiscal years ending in 1949 and 1950

Distribution of net savings	1949	1950	Percentage increase
Cash patronage refunds...	\$7,011,917	\$9,575,268	36.6
Deferred patronage refunds a/.....	5,910,421	8,542,596	44.5
Cash dividends on stock..	3,238,331	3,504,797	8.2
Retained in reserves.....	3,658,691	7,187,987	96.5
Total.....	\$19,819,360	\$28,810,648	45.4

a/ Evidenced by capital stock, certificates of equity, and other equity holdings.

During 1950, \$1,561,032 worth of stock and certificates, originally issued as patronage refunds, was retired under the revolving fund plan by these regionals.

#### FINANCIAL CONDITION

The financial condition of the 20 supply associations at the close of their fiscal years ending in 1949 and 1950 is summarized in table 6.

Table 6. - Consolidated financial statement of 20 major regional farm supply purchasing cooperatives at the close of their fiscal years ending in 1949 and 1950

Item	1949		1950	
	Amount	Percent- age of total	Amount	Percent- age of total
Assets:				
Current assets.....	\$147,414,989	47.4	\$173,042,798	49.7
Fixed assets.....	106,787,804	34.3	114,435,279	32.8
Other assets.....	57,076,983	18.3	61,006,832	17.5
Total.....	\$311,279,776	100.0	\$348,484,909	100.0
Liabilities and members' equities:				
Current liabilities...	\$69,896,260	22.5	\$76,056,382	21.8
Other liabilities.....	54,955,371	17.6	59,175,697	17.0
Members' equities (capital and reserves).....	186,428,145	59.9	213,252,830	61.2
Total.....	\$311,279,776	100.0	\$348,484,909	100.0

The combined total assets increased from \$311,279,776 in 1949 to \$348,484,909 in 1950, or 12 percent. Members' equities increased from \$186,428,145 to \$213,252,830, or 14 percent. At the end of the 1950 fiscal year, members' equities equaled 61 percent of the total assets compared with 60 percent for the preceding period. The 20 associations averaged \$2.28 in current assets for each \$1 in current liabilities at the end of the 1950 fiscal year. The current ratio in 1949 was \$2.11 to \$1.

## APPENDIX

VALUE OF SUPPLIES DISTRIBUTED BY FOUR MAJOR REGIONAL  
 MARKETING COOPERATIVES FOR FISCAL YEARS  
 ENDING IN 1949 AND 1950

Five major regional marketing cooperatives which distribute large volumes of farm supplies are Land O'Lakes Creameries, Inc., Poultry Producers of Central California, The Cotton Producers Association, Utah Poultry and Farmers Cooperative, and Washington Co-operative Farmers Association. The Cotton Producers Association and the Land O'Lakes Creameries, Inc., are of the federated type and distribute farm supplies at wholesale to local member associations. The others are centralized organizations that distribute direct to farmers through local branches.

LAND O'LAKES CREAMERIES, INC.

The value of feed, seed, and fertilizer distributed to its members by the Land O'Lakes Creameries, Inc. - headquarters at Minneapolis, Minn. for the years ending December 31, 1949 and 1950 was as follows:

<u>Commodity</u>	<u>51/ 1949</u>	<u>1950</u>
Feed.....	\$4,869,499	\$5,205,600
Fertilizer.....	1,271,078	1,661,576
Seed.....	956,616	1,001,473
 Total.....	 \$7,097,193	 \$7,868,649

Net savings on these operations amounted to \$138,912 in 1949, and \$231,098 in 1950.

POULTRY PRODUCERS OF CENTRAL CALIFORNIA

The Poultry Producers of Central California with headquarters in San Francisco, Calif., distributed feed, petroleum products, and other farm supplies for the fiscal years ending December 31, 1949 and 1950, as follows:

<u>Commodity</u>	<u>1949</u>	<u>1950</u>
Feed.....	\$24,278,066	\$23,392,061
Gasoline and other petroleum products.	1,546,147	1,707,065
Other farm supplies.....	1,384,277	1,584,147
 Total.....	 \$27,208,490	 \$26,683,273

51/ Revised.

Net savings on supply operations were \$2,553,700 in 1949, and \$2,364,311 in 1950.

#### THE COTTON PRODUCERS ASSOCIATION

The Cotton Producers Association, headquarters at Atlanta, Ga. - now serves farmers in Georgia, practically all of Florida, and part of Alabama through member associations and dealer representatives. Fertilizer, feed, and other farm supplies were distributed to its members during the fiscal years ending June 30, 1949 and 1950, as follows:

<u>Commodity</u>	<u>1949</u>	<u>1950</u>
Fertilizer.....	\$2,038,823	\$2,233,050
Feed.....	2,047,824	2,024,477
Seed.....	735,533	1,023,601
Other farm supplies.....	701,184	806,290
 Total.....	 \$5,523,364	 \$6,087,418

Net savings on supply operations amounted to \$290,125 in 1949, and \$324,880 in 1950.

#### UTAH POULTRY AND FARMERS COOPERATIVE

The value of feed and other farm supplies distributed by the Utah Poultry and Farmers Cooperative, Salt Lake City, Utah, during the years ending December 31, 1949 and 1950, was as follows:

<u>Commodity</u>	<u>1949</u>	<u>1950</u>
Feed.....	\$5,781,136	\$5,692,464
Other farm supplies.....	2,454,920	2,015,841
 Total.....	 \$8,236,056	 \$7,708,305

Net savings on supply operations were \$178,475 in 1949, and \$351,861 in 1950.

#### WASHINGTON CO-OPERATIVE FARMERS ASSOCIATION

The Washington Co-operative Farmers Association, Seattle, Wash., distributed feed, petroleum, and other farm supplies during the years ending December 31, 1949 and 1950, as follows:

<u>Commodity</u>	<u>1949</u>	<u>1950</u>
Feed.....	\$18,098,765	\$15,311,513
Petroleum.....	4,647,187	4,657,008
Fertilizer.....	488,787	524,952
Seed.....	353,654	327,591
Other farm supplies.....	1,066,952	1,199,279
 Total.....	 \$24,655,345	 \$22,020,343

The association showed net savings on supply operations amounting to \$1,167,856 in 1949, and \$1,497,372 in 1950, after paying 4 percent interest on finance certificates for financing supply operations.

#### COMBINED DOLLAR VOLUME

Altogether, the total dollar volume of supplies distributed by the five marketing associations amounted to \$72,720,448 in 1949, and \$70,367,988 in 1950 - a decrease of 3 percent. Feed was the principal supply item handled. The dollar volume of this item decreased 6 percent, however, and the dollar volume of all other supplies increased 6 percent. In 1950 feed represented 73 percent of the total dollar volume of supplies distributed - about 3 percent under that of last year. The dollar volume was \$55,075,290 in 1949, and \$51,626,115 in 1950. The dollar volume of other farm supplies increased from \$17,645,158 in 1949, to \$18,741,873 in 1950.



